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# China Report

RED FLAG

No. 11, 1 June 1981

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## CHINA REPORT

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Translation of the semimonthly theoretical journal of the Central Committee of the Chinese Communist Party published in Beijing.

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## HOW SHOULD CHINA'S SOCIALIST SOCIETY BE ASSESSED

Beijing RED FLAG in Chinese No 11, 1 Jun 81 pp 2-10

[Article by Shi Zhongquan [4258 0112 3123]]

[Text] In the past 2 years, people in theoretical circles have conducted studies and discussions concerning socialist problems in theory and in practice and have put forward many profound views of an enlightening nature. This has enabled us to have a deeper understanding of our socialist society. In the course of discussion, different views on certain problems have arisen—problems concerning how to view Marx' and Lenin's hypotheses about socialism and how to understand our actual problems in building socialism. The purpose of this article is to air some views on these problems.

### Marxist-Leninist Viewpoints Develop With the Development of Revolutionary Practice

In "Critique of the Gotha Program" and "The State and Revolution," Marx and Lenin dealt with theories about socialist society in a relatively concentrated manner. Their expositions undoubtedly embody many brilliant and great ideas, which have guided the socialist movement for people in various countries. We must make a penetrating study of these ideas. But it is also without a shadow of doubt that these brilliant and great ideas must also be continuously tested in practice with the development of history. Meanwhile, in our approach to the writings by Marx and Lenin, we should seek to understand them as perfectly and accurately as possible, make a historical and overall analysis of factors responsible for the formation and development of their viewpoints, and grasp the spiritual essence of their viewpoints. We should not isolate some of their viewpoints and express them in absolute terms. This is because both Marx and Lenin approached socialism from the viewpoint of development. In fact, their theory about socialist society is also, in itself, ceaselessly developing.

In criticizing Lassalle's opportunist viewpoints, Marx' "Critique of the Gotha Program" advanced some theoretical ideas about the future communist society. At that time, Marx held that the socialist revolution would be marked with victory scored at the same time in various advanced capitalist countries. After a victory in the socialist revolution, what would be the conditions of a brand-new worldwide socialist society? In this book, Marx divided communist society into two stages. The basic features of the first stage should be: 1) the means of

production should be owned by the whole society; 2) distribution according to labor should be implemented using labor coupons as a basis of showing the amount of labor; and 3) there should be no class difference, no commodity production and no currency exchange. These hypotheses of Marx' about the future society are advanced scientific abstractions detached from various concrete conditions. They were not intended in the least to provide a model for future socialist construction. Therefore, Marx and Engels did not take their ideas as final. In the 1890's, Engels saw the development of capitalism in the direction of the imperialist stage and also observed the changes likely to take place in the future. Therefore, when the then socialist Konrad Schmidt of Germany was making a further study of the problem of transition to communism, Engels discouraged him: "Your second writing project--the stage of transition to communism--must still be seriously considered. I advise you not to publicize it for another 9 years!" He did not want Schmidt to seek instant success by jumping to conclusions. Engels added: "This is the most difficult of all existing problems to be solved, because things keep changing. For example, conditions change with the appearance of every new trust. Every 10 years, the target of attack will be entirely different." ("Collected Works of Marx and Engels," Vol 38, p 123) Changed conditions would not only affect which country would be the scene of a revolution but also how a revolutionary change and the structure of the future society would be realized. Here Engels did not in the least take a certain conclusion by Marx as the final and only correct one and which could not be changed. On the contrary, he held that the development of the future society was a major problem that called for continuous study. As he left the world soon thereafter, he did not have time to develop his new viewpoints into a theory.

Engels' dream was realized by Lenin. The latter greatly enriched and developed Marxist theory. Lenin's "The State and Revolution" developed many ideas of the "Critique of the Gotha Program." Of the works on Marxism, this book for the first time clearly called "the first stage of communism" a "socialist society" and also put forward the problem of the need to preserve the state in the socialist stage. If one of Marx' and Engels' contributions was to transform socialism from fantasy into science, then a major contribution of Lenin's was to transform socialism from theory into reality. The October Revolution enabled socialism to achieve victory first in Russia, a backward country, but not simultaneously in various developed capitalist countries. This completely overthrew Marx' assumption about the road for the development of the future society.

The development of history is independent of any individual's will. A Marxist's task lies in proceeding from reality and continuously altering, supplementing and developing revolutionary theory. Lenin pointed out: "We should understand that now everything lies in practice. Now we have reached a very crucial stage of history: theory is being turned into practice and theory is being enlivened by practice, changed in practice and tested in practice." ("Selected Works of Lenin," Vol 3, p 398) After the October Revolution, in the concrete practice of leading the Soviet people in the transition to socialism, Lenin, guided by this principle, developed the theory about the transition period and socialism. In a country like Russia, where capitalism was not so developed, how was the transition to socialism and the building of socialism to be realized? In view of the fact that the Soviet government faced the serious threat of subversion by class

enemies at home and abroad, Lenin resolutely introduced throughout the country the wartime communist system. This was, on the one hand, an emergency measure taken to overcome the tremendous difficulties caused by the class enemy's sabotage. On the other hand, it was a bold attempt based on Marxist strictures on the first stage of communism. Lenin projected the building of a unified production and consumption commune throughout the country, the introduction of a system of ownership of the means of production by the whole people, the implementation of unified national plans for production and distribution, and the imposition of the strictest computations and supervision of labor and consumption, thus turning the whole country into a society with no classes, no commodities and no currency. This hypothesis was not fully realized. But, based on it, a system for the acquisition of surplus grain was promulgated and the relationship of the direct exchange of products between urban and rural areas was established through noneconomic administrative means. This system played a tremendous role in successfully ending the civil war and smashing armed imperialist intervention. But it plunged the national economy into an extremely chaotic state. Practice over a 3-year period showed that such a communist measure was impracticable. Lenin later frankly admitted: "We expected--or perhaps it would be more accurate to say that we presumed without having given it adequate consideration--to be able to organize the state production and the state distribution of products along communist lines in a small-peasant country directly as ordered by the proletarian state. Experience has proved that we were wrong." "We suffered defeat in our attempt to introduce the socialist principles of production and distribution by 'direct assault,' i.e., in the shortest, quickest and most direct way." He added, "In attempting to go straight over to communism, in the spring of 1921 we sustained a more serious defeat on the economic front than any defeat inflicted upon us by Kolchak, Denikin or Pilsudski. This defeat was much more serious, significant and dangerous." ("Collected Works of Lenin," Vol 33, pp 39, 70, 44)

Historical conditions vary with different countries. The hypothesis about the building of socialism in developed countries can in no way be simply treated as the road of transition to socialism for backward countries. Summing up lessons in the practice of the wartime communist system, Lenin pointed out, "To enable 'us' to smoothly solve the problem of our going straight over to socialism, we must understand that only by following those middle-of-the-road ways, methods, means and supplemental measures can we effect a transition from various previous capitalist relations to socialism. Here lies the key to the whole thing." ("Selected Works of Lenin," Vol 4, p 524) Marx and Engels once assumed that in countries like France and Germany, with quite a large number of small peasants, the method of organizing cooperatives might be adopted to lead the peasants on the road to socialism. But they did not spell out the nature of the economic pattern for the cooperatives. Developing the idea of Marx' and Engels' about organizing cooperatives, Lenin held that it was impossible for a country dominated by a small-peasant economy to introduce socialism by establishing a unitary system of ownership by the whole people. We must at the same time establish a collective-ownership economy along the lines of a cooperative. The nature of such an economy must also be socialist. In the brilliant work "On the System for Cooperation" written before his death, Lenin pointed out: The collective-ownership cooperative was no longer simply a "transitional form" for joint

production in the transition to ownership by the whole people. It itself was socialist in nature and "entirely compatible with socialism." "Given the system of public ownership of means of production and given the class victory scored by the proletariat over the bourgeoisie, the system for civilized cooperative workers is the socialist system." ("Collected Works of Lenin," Vol 33, pp 428, 426) This was another important development of Marx' and Engels' theory about socialism. The appearance of a public economy along the lines of a cooperative helped solve "knotty problems that many socialist have failed to solve," enabling a backward state to have "everything that is needed to build a socialist society." ("Collected Works of Lenin," Vol 33, p 423)

Since in reality socialism cannot be built on the foundation of a unitary economy of ownership by the whole people, commodity production and commodity exchange will inevitably exist. Given commodity production and commodity exchange, would a public-ownership society be regarded as a socialist society? In light of the conditions prevailing after the implementation of the New Economic Policy, Lenin give an actual answer to this question. He said: "It is not the surplus grain acquisition system or the grain tax but large-scale ('socialized') industrial products that we use to exchange for peasants' products. This is the essence of the socialist economy and the socialist foundation. Though 'not properly built and not skillfully handled,' the 'new economy' beginning with the New Economic Policy after all 'entirely belongs to the socialist economy.'" ("Collected Works of Lenin," Vol 32, p 311 and Vol 33, p 236) This entirely changed the previous traditional concept about the non-existence of commodities and currency in a socialist society. The two socialist forms of ownership and the idea of exchanging commodities for products put forward by Lenin once again overthrew Marx' and Engels' hypothesis about the socialist society. Therefore, Lenin said pointedly: "Now we have reason to say that in our country, the development of cooperatives alone is tantamount to... socialist development. Therefore we cannot help admitting that we have basically changed our whole view of socialism." ("Collected Works of Lenin," Vol 33, p 429) This was a tremendous change. It was not a step backward but a step forward; not a departure from historical realities but a getting closer to objective realities. It was not lowering the socialist standard but clarifying the socialist scope; not narrowing the sense of socialism but enriching the content of socialism. It paved a new way for all backward countries in which capitalism was not well developed--countries heading for socialism and socialist construction. After the October Revolution, Lenin all along hoped for an outbreak of a socialist revolution in developed capitalist countries in order to fulfill Marx' and Engels' prediction about the transition to socialism and to realize their assumption about the socialist society. But up to now, there has been no sign of an outbreak of a revolution in these countries. Given this situation, the socialist theory developed by Lenin is of still greater theoretical and realistic significance.

How should we treat the socialist theory advanced by Marx and Engels and developed by Lenin? Should we cling to every word in the "Critique of the Gotha Program" and "The State and Revolution" in disregard of everything else? Should we focus on their writings in a given period and refuse to take an overall look at the development of their ideas? Obviously we cannot do so. The socialist theory

developed by Lenin was later further enriched and developed by Stalin in leading the Soviet people in the practice of socialist construction and by the Chinese Communists represented by Comrade Mao Zedong in the practice of socialist revolution and construction in China. This socialist theory, which has entirely upheld the revolutionary spirit of Marxism, is our guide in correctly understanding the socialist society in real life.

#### China's Socialist System Is a Great Fruit of Scientific Socialist Theory

In discussions on socialist theory, some people hold that our country is not a socialist society, since it does not have the conditions for socialism and since it is now only in a period of transition from new democracy to socialism. Their rationale is that in reality socialism is incompatible with the version of socialism projected by Marx. Such an idea is entirely wrong.

Marxism holds that the determination of the nature of a society is independent of subjective will and is instead based on a historical and scientific analysis of its economic foundation and superstructure. In his works written after the October Revolution, Lenin clearly specified the basic economic features in the period of transition from capitalism to socialism. In "Left-Wing Infantilism and the Petty Bourgeois Mentality," Lenin said: "But what does the word 'transition' mean? Does it not mean, as applied to an economy, that the present system contains elements, particles, and fragments of both capitalism and socialism? Everyone will admit that it does. But not all who admit this take the trouble to consider what elements actually constitute the various socioeconomic structures that exist in Russia at the present time, and this is the crux of the question. Let us enumerate these elements: 1) patriarchal, i.e., to a considerable extent natural, peasant farming; 2) small commodity production (this includes the majority of those peasants who sell their grain); 3) private capitalism; 4) state capitalism; 5) socialism." ("Collected Works of Lenin," Vol 27, p 310) In the article "Economics and Politics in the Era of the Dictatorship of the Proletariat," he further pointed out: "There can be no doubt that between capitalism and communism there lies a definite transition period which must combine the features and properties of both these forms of social economy. This transition period has to be a period of struggle between dying capitalism and nascent communism--or, in other words, between capitalism which has been defeated but not destroyed and communism which has been born but is still very feeble." ("Collected Works of Lenin," Vol 30, p 87)

These remarks by Lenin expressed the economic features of the transition period in very concise terms and can be interpreted as a theoretical basis for our understanding the transition period. The situation described by Lenin here, as far as its main aspects are concerned, is generally similar to that in the period on the eve of our socialist transformation in agriculture, handicrafts and capitalist industry and commerce. The five above-mentioned economic elements existed in that period. Some defects existed in the process of transforming the system of ownership. But the triumphant completion of the three great transformations marked our country's entry into the socialist stage. Just as Comrade Mao Zedong clearly declared in 1957, "Socialist relations of production have been established." ("Selected Works of Mao Zedong," Vol 5, p 374) In

a speech at a conference in celebration of the 30th anniversary of the founding of the PRC, Comrade Ye Jianying also pointed out: "We have abolished the system of exploitation and transformed the system of ownership by small producers. We have introduced on an overall basis the socialist system of public ownership of the means of production and initially carried out the principle 'from each according to his ability and to each according to his work,' enabling the Chinese people, accounting for one-fifth of the world population, to enter the stage of socialist society. This is the greatest and most profound change in the history of our country." Of course, just as was pointed out in this speech, our country is still a developing country. Its socialist system is still less than perfect. It is not well developed economically and culturally. But our socialist system can surely continuously overcome all difficulties standing in its way, forge ahead and gradually improve. Our country will be transformed into a modern powerful socialist country. All this shows that our country is now undoubtedly a socialist society, though it is in its "incipient" stage or in a stage of "development." In the past 2 years, based on the actual conditions of our country, our party has made partial readjustments in the relations of production and developed a private-ownership economy for urban and rural areas--an economy which is a necessary supplement to the public-ownership economy and which is subjected to state guidance. However, a socialist public-ownership system marked by two forms--ownership by the whole people and collective ownership--still occupies a dominant position in the whole society. Such a readjustment does not in the least change the nature of our social system. It is also necessary for consolidating and perfecting the socialist system.

Some comrades refuse to admit that ours is a socialist society. One of their arguments is that our level of development of productive forces has fallen far behind the demands of socialism. Such an argument is groundless. Productive forces and production relations contain very complicated elements and cannot be expressed in simplified terms. The relations of production must be geared to the nature of productive forces. The development of productive forces plays a final decisive role in the development and change of a social form. This is one problem. The nature of a social form or system established is not directly determined by the state of productive forces but is instead determined by the nature of the relations of production. This is another problem. Marx said: "The relations of production as a whole shape the so-called social relations, the so-called society, and the society placed in a given period of historical development, or the society with peculiar features." ("Collected Works of Marx and Engels," Vol 6, p 487) At present, some developed countries undoubtedly have a very high level of productive forces. But it is still the existing capitalist relations of production in these countries that determine the nature of their social system. Compared to these developed capitalist countries, our level of productive forces is still really backward. But being backward or advanced is relative. Then, is the level of our productive forces so backward as to be incompatible with the socialist system? Just a glance at history will provide us with the correct answer. In "Critique of the Gotha Program," Marx, based on the levels of productive forces of the then most developed capitalist countries in Europe, pondered the future revolution and made assumptions about a future society. We might as well take a look at the levels of the productive forces in these countries.

Take the period from around 1871 to 1900. Several main indicators of the levels of the productive forces of these countries then were: In 1871, the United States produced 70,000 tons of steel, 1.7 million tons of iron and 41.9 million tons of coal. Britain produced 300,000 tons of steel, 6.6 million tons of iron and 118 million tons of coal. Germany produced 250,000 tons of steel, 1.4 million tons of iron and 37.9 million tons of coal. France produced 13.3 million tons of coal; its steel output in 1869 was 110,000 tons and its iron output in 1875 was 1.44 million tons. In 1870, the total world output of steel was 520,000 tons; iron, 14 million tons; and petroleum, 800,000 tons. In 1900, the steel output of the United States was 10.2 million tons; iron, 13.8 million tons; and coal, 240.8 million tons. The steel output of Britain was 5.98 million tons; iron, 9.1 million tons; and coal, 228.8 million tons. The steel output of Germany was 7.37 million tons; iron, 8.52 million tons; and coal, 149.8 million tons. The steel output of France was 1.935 million tons; iron 2.7 million tons; and coal 33.4 million tons. The total world steel output was 28.3 million tons; iron, 41 million tons; and petroleum, 20 million tons. Of the many newly developed industrial sectors in the 1870's--such as chemistry, electrical machinery, nonferrous metallurgy, aluminum production, rubber, automobile, electric, electronics, etc.--related to the output of these main products, some had just been started and some had yet to appear. Not until the early 20th century did they gradually develop. The railroads in several developed countries in Europe were laid quite well, but cast-iron and wrought-iron rails were then chiefly in use. Only later were light steel rails made available. The degree of socialization and modernization was also not very high as far as factories were concerned. Take Germany for example. In 1895, enterprises with more than 1,000 people numbered 252, with a total of less than 450,000 workers. They represented less than 1 percent of the total number of enterprises. Many manual processes were involved. The degree of mechanization was being continuously raised. There was no automatic equipment and the like. Furthermore, take a look at agriculture. England was very thorough in its reforms. Small peasants no longer existed; things were entirely done along capitalist lines. This was undoubtedly an emancipation for agricultural productive forces. But because agricultural machines used on a large scale were relatively crude and simple, because not much chemical fertilizer was used and because the farming system was relatively unsatisfactory, output was not very high. Grain output averaged 2,100 kilograms per hectare, or 280 jin per mu. These figures do not fully show the level of development of productive forces at that time, but they give us a general idea of the actual economic features of these countries.

What is the level of productive forces in contemporary China? Take the period from 1957 to 1978 for example. As far as the output of main industrial products are concerned, in 1957, steel output was 5.35 million tons; iron, 5.94 million tons; coal, 131 million tons; and petroleum, 1.46 million tons. In 1978, steel output had reached 31.78 million tons; iron, 34.79 million tons; coal 618 million tons; and petroleum, 104.05 million tons. Many newly developed industrial sectors, such as petroleum chemistry, electronics, plastics, synthetic rubber and chemical fibers, had been set up. Many advanced sciences and technologies, such as electronic computers, atomic energy, automatic control, lasers, fluidics, and so forth, were used in industrial production. The degree of mechanization, automation and socialization in production was being continuously raised. By

1978, there were nearly 4,400 large and medium-sized enterprises, representing 7.9 percent of the total number of enterprises. As far as agriculture is concerned, since the establishment of cooperatives, the degree of mechanization had been continuously raised. By 1978, the area plowed by tractors represented 40.9 percent of the total cultivable area. The area irrigated with motor pumps accounted for 55.4 percent of the total irrigated area. Grain output was 3,960 kilograms per hectare, or an average of 525 jin per mu. Though not indicative of the level of development of our productive forces in a fully accurate manner, these figures give a general idea of our actual conditions.

By comparing figures in these two respects, we can easily see that though our level of productive forces in 1957 was relatively low, it was not much lower than the level of productive forces that Marx and Engels had noticed in developed countries in those years. Judging by the absolute value of output and ignoring the average based on population, both steel and petroleum exceeded the total of the then world output. Steel production was even 10 times the then world output. Compared to the level of productivity observed by Lenin in developed countries, our level of productive forces in 1978 far exceeded that of every developed country that had then entered the imperialist stage. The output of steel and petroleum was the combined total of the world output 80 years ago. The degree of modernization and socialization in industrial production and the degree of mechanization in agriculture were also not much more backward than at that time. This shows that those countries then professing to be the most developed ones were also relatively backward in certain respects, as far as the existing conditions of our country are concerned. Such a state of backwardness was not much less serious than the gap that exists between our country and the developed countries at present. Since what seems today to be such a backward level was regarded by Marx and Engels over a century ago as advanced enough for a socialist society, then why is it that, given the existing level of productive forces, our country, which is not behind the most developed countries of over a century ago in many respects, does not have the minimum requirements for a socialist society? Therefore, people cannot help asking: What, after all, is the level of productive forces required to qualify for socialism? If the level of productive forces must meet the requirements for the establishment of a unitary system of ownership by the whole people, then the conditions for a unitary system of ownership by the whole people established on the basis of the level of the productive forces of over a century ago can be imagined. A conclusion can be easily drawn if we just respect history and refuse to be obsessed with hypotheses. In the future, a unitary system of ownership by the whole people established on the basis of the existing productive forces level being continuously developed will undoubtedly be more beautiful than the socialist unitary system of ownership by the whole people envisaged a century ago. But so far there has not been such an experience in history. Therefore, whether Marx' assumption over a century ago about a socialist unitary system of ownership by the whole people based on such a level of productive forces being actually possible, is still a question that requires further study. Socialism has been in existence in our country for over 20 years. Some people now refuse to admit this. There is no basis for such a view.

Here, we do not in the least intend to make a simple historical comparison between our existing productive forces and the level of developed countries in those years. It would be wrong if we were to interpret things in this way; our country has become a developed country, so that Marx' and Engels' previous assumption about socialism can be turned into reality and a perfect version of socialism with no classes, no commodities and no currency can be established. All that we want to get across is: 1) We must not consider the productive forces level of some developed countries over a century ago as a remarkable achievement, but we must make an analysis from the standpoint of history. 2) Our China is provided with the most elementary objective conditions for building socialism. The productive forces level of China in real life is compatible with the socialist relations of production.

Lenin said: "The times have passed--and in Russia I am sure they have passed beyond recall--when we used to argue about the socialist program on the basis of book knowledge. Today socialism can be discussed only on the basis of experience." ("Collected Works of Lenin," Vol 27, p 480) The same applies to China and other countries. The study of socialism should not be based on an assumption about socialism over a century ago but should instead be based on actual experience acquired in the socialist movement in the past 100 years or so. If we "cut the feet to fit the shoes" and take those hypotheses before the birth of socialism as "iron shoes" which cannot be changed as a means to negate the great and painful experiences on the part of the revolutionary people of various countries, including our own, in several decades of exploring socialism, then our attitude is not worthy of a Marxist.

#### The Idea About China Representing "Agricultural Socialism" Is Incompatible With Historical Realities

In summing up historical experiences and lessons, the practice of criticizing certain defects and mistakes of our party in agricultural work since the founding of our state should be affirmed. But some articles have one-sidedly magnified mistakes in this respect. They hold that it is not scientific Marxist socialism but agricultural socialism that has been our party's guiding ideology over the past 30 years. What has actually been built is not a socialist society cherished by the proletariat but an agricultural socialist society craved for by small producers. Such a view is wrong.

We know that the idea of "agricultural socialism" originated from the term "agricultural socialism" used by Lenin in criticizing Russian populists. Based on abstract moral concepts, the populists negated the significance of capitalism as far as historical progress was concerned. They became obsessed with the small-production economy of self-sufficiency, regarding the system of acquisition of land by the Russian village community as an ideal socialist realm. The Russian village community represented a peculiar form that remained after the disintegration of the primitive clan commune. At its earliest stage, land belonged to the community. But with the development of the commodity economy, especially the capitalist economy, the peasants of village communities came into possession of more and more private property with an increasingly serious differentiation between rich and poor. This was an inevitable trend in history. Populist

socialism wanted to prevent such a differentiation. It called for handing over all the land to peasants and redistributing it equally within village communities, enabling every peasant to own land. Thus, Russia could bypass the capitalist road of development and head straight for socialism. In a profound criticism of this idea, Lenin pointed out: As against the theory of "working-class socialism," the "old peasant socialism understood neither the conditions of a commodity economy under which the petty producers live, nor the capitalist differentiation due to these conditions" and entirely "lost sight of the political-economic structure of the countryside and the main foundation of the economy that really was being crushed by these immediate hardships." ("Collected Works of Lenin," Vol 1, pp 212, 234) He also said that they supported the village community and "stood for the gratuitous retention of the land the peasants possessed before the reform." (He is referring to the 1861 reform involving the abolition of the serf system. In this reform, the landlords seized much of the land that the peasants used to own on the grounds that the peasants failed to pay compensation to them for their land--RED FLAG article author's note.) "There is nothing socialist in it, for it is this peasant ownership of land (which evolved during the feudal period) that has everywhere in the West, as here in Russia, been the basis of bourgeois society." The "village community" as a peculiar form of the Russian peasant economy was "purely a mythical idea." This "myth dissolved when it came into contact with reality, and peasant socialism turned into radical-democratic representation of the petit-bourgeois peasant." ("Collected Works of Lenin," Vol 1, pp 250, 255)

"Peasant socialism" was social thinking prevailing in backward countries where the peasant population represented the majority and the small-production economy predominated. The "celestial dynasty's farmland system" introduced by the Taiping Heavenly Kingdom in our country in the 19th century might be regarded as a typical pattern for contemporary China in building an ideal peasant socialist country. Under given historical conditions, this version of "peasant socialism" might have a certain progressive effect. When the proletariat had stepped onto the historical stage, and when scientific socialism had become a weapon for winning emancipation and transforming the state, the backwardness of "peasant socialism" became apparent. Therefore, in the process of leading the Chinese revolution, our party paid great attention to criticizing the idea of "peasant socialism." In a letter to Comrade Bo Gu in August 1944, Comrade Mao Zedong defined the difference between Marxism and populism and between scientific socialism and "peasant socialism." He clearly pointed out that the foundation of a democratic society, including socialism, was mass production by machinery and not family agriculture and family handicrafts. In a speech to cadres in Shanxi and Suiyuan in April 1948, Comrade Mao Zedong for the first time clearly employed the concept of "agricultural socialism," when he said that "an idea calling for absolute egalitarianism in the distribution of land then prevailing in the countryside, which disrupts industry and commerce, is an idea of agricultural socialism." In July of the same year, in "Questions and Answers About Agricultural Socialism," published with the approval of the party Central Committee, he also pointed out: "The idea of agricultural socialism is an egalitarian idea derived from viewing the small peasant economy as a basis. Those who embrace such an idea attempt to use the small peasant economy as a standard in recognizing and transforming the whole world. They think that transforming the whole

social economy into a small peasant economy marked by uniformity and 'equality' means practicing socialism." Therefore, "agricultural socialism" became a synonym for "absolute egalitarianism." This was different from the meaning of the populists' "peasant socialism" criticized by Lenin.

Judging by the historical origins of the concept of "agricultural socialism," this idea is marked by the following basic characteristics: 1) supporting the system of peasants' possession of land, or the system of ownership by individual peasants; 2) being confined to the state of a scattered and self-sufficient natural economy; 3) opposing the capitalist relations of production and mass production by machinery ensuing from such relations of production; and 4) advocating absolute egalitarianism in a vain attempt to turn the whole social economy into an individual economy marked by equality and uniformity.

In light of these basic features of "agricultural socialism," is the guiding ideology for our party's leadership in economic construction "agricultural socialism"? Has an "agricultural socialist" road been followed for the past 30 years? Obviously, we cannot say so. This is because, first of all, our party does not support the system of peasants' possession of land. After the national victory of the democratic revolution, we established a people's democratic dictatorship political regime led by the working class and based on a worker-peasant alliance, which distributed land to the peasants. But, under conditions where the proletariat firmly controlled revolutionary leadership and after the completion of the land reform, we formulated a guideline for carrying out socialist transformation in agriculture and handicrafts. This was basically different from the idea of "agricultural socialism." Agricultural cooperation was an unusually complicated, difficult and profound social reform. Though we were guilty of being overhasty and proceeding at too fast a pace in the latter stages of agricultural cooperation, we did realize this reform smoothly, putting peasants on the socialist road to the public-ownership economy, enabling the worker-peasant alliance led by the working class to be consolidated and strengthened, and stimulating the development of industry and agriculture and the whole national economy. This was a great victory for our party's scientific socialism as the guiding ideology.

Second, our party has all along energetically developed industrial and communications enterprises, enabling the national economy to be built on the basis of modern production skills. The general line for the transition period defined socialist industrialization as the mainstay of the national economy. In 1957, after the first 5-year plan, the proportion represented by industry in the total industrial and agricultural output rose to 56.7 percent. In 1978, it rose to 72.2 percent, of which 41.1 percent represented heavy industry. Many new industrial sectors and advanced technologies were quickly developed. The output of some main industrial products was on a par with the advanced world level. Fixed industrial assets throughout the country were over 30 times the total accumulated by the old China in the past 100 years or so. An independent and relatively perfect industrial system and a national economic system had been established. The agricultural country of former years had undergone a major change in its features and was marching in the direction of becoming a modern powerful industrial-agricultural country. Such a great achievement is beyond the capacity of any version of "agricultural socialism."

Third, our party has persisted in using industry to transform and equip agriculture, enabling our countryside, which was almost devoid of agricultural machinery, chemical fertilizer and electric power before liberation, to boast now of over 2 mil...on large and medium-sized tractors and hand-held tractors, more than 5 million irrigation and drainage machines, an annual application of over 12 million tons of chemical fertilizer, and an annual agricultural power consumption over 6 times the total national electric output before liberation. Work in this respect is still less than perfect and has many noticeable defects. But, as far as the whole situation is concerned, we are striving for the realization of the technical transformation of agriculture. This is also basically different from "agricultural socialism," which discourages mass production by machinery.

Fourth, our party does not worship the peasants' spontaneous "extreme revolutionary character." Instead, it persists in using scientific socialist ideas to educate the peasants. Peasants themselves are incapable of spontaneously believing in scientific socialism. But the Chinese peasants, oppressed by the three big mountains of imperialism, feudalism and bureaucrat capitalism and long subjected to the party's leadership and education, are keen on following the scientific socialist road and changing the features of poverty and backwardness. For a period of time, our education of the peasants was influenced by "leftist" thinking, so that a correct distinction was not drawn between capitalism and scientific socialism. However, for most of the time, the education of the peasants was basically scientific socialist education. For this very reason, our collective economy was capable of being consolidated at a time when it ran into great setbacks and difficulties. Agricultural production also showed a certain degree of growth. During the period of the "Great Cultural Revolution," nearly 1 billion people were kept well-fed.

Fifth, mistakes were made for a time in agricultural work as far as absolute egalitarianism was concerned. These mistakes ran counter to scientific socialist principles. But we cannot completely link these mistakes with the nature of "agricultural socialism." This is because the version of egalitarianism practiced was not aimed at turning the whole social economy into an individual economy marked by equality and uniformity. Instead, it was subjectively aimed at consolidating the collective economy, though objectively it had a harmful and destructive effect on the collective economy. It had aspects linked with the idea of "agricultural socialism." More important, it also had aspects that distinguished it from "agricultural socialism." This cannot be overlooked. Moreover, these mistakes have been corrected by our party itself. The mistake of "carrying things too far in the transition to communism" during the "Great Leap Forward" and the movement to "establish people's communes" was gradually taken care of before the "Great Cultural Revolution." Owing to this serious mistake, the party Central Committee and Comrade Mao Zedong stressed the great significance of upholding commodity production, laws about value, and distribution according to labor during the socialist period. Such "leftist" mistakes as "transition through poverty," "poverty shared by everyone," and so forth made during the movement "to learn from Dazhai in agriculture" were also continuously corrected after the 3d Plenary Session of the 11th CCP Central Committee. A series of effective measures were taken to seriously correct certain

noticeable defects in agricultural work since the latter stage of agricultural cooperation, thus bringing about relatively rapid progress in agriculture in the past 2 years. This also shows that our party is not a political party representing the interests of small producers--one guided by the idea of "agricultural socialism." Instead, it is a proletarian political party that takes Marxist scientific socialist theory as a guide--one representing the interests of the working class and the people of all nationalities in the country.

Owing to complicated social historical conditions, the thorough elimination of various influences of the small peasant economy in our country is naturally a long-term arduous task. But, as early as during the democratic revolutionary period, our party waged a resolute struggle against this version of "agricultural socialism." Under new historical conditions, the elimination of various influences based on the small peasant economy and linked with the idea of "agricultural socialism" is entirely possible by continuously upholding scientific socialist theory. One-sidedly magnifying the mistakes in our work and negating the party's Marxist guiding ideology by claiming that our party's guiding ideology is actually "agricultural socialism" is incompatible with historical realities. The idea about "agricultural socialism in China" is a serious distortion of the great socialist cause of our party and state.

Lenin said: What teachers of socialism assumed about a future society "is still something abstract. Only after various imperfect concrete attempts to establish a kind of a socialist state can the abstract be given expression in actual life." ("Selected Works of Lenin," Vol 3, p 546) Lenin's leading of the Soviet people in building socialism was an attempt to turn an abstract assumption into concrete reality. The socialist practice of us Chinese Communists' over 30 years has also been an attempt to turn an abstract assumption into something concrete. The great achievements scored by us show that scientific socialist theory is deeply rooted in China's soil. The serious setbacks we have suffered show that it is not a simple matter to turn socialist theory into reality. In a concrete attempt to build socialism, we unavoidably lapsed into mistakes of one kind or another. There has been no exception in any socialist country up to now. Those mistakes made before, including those serious ones that caused pain, should be approached with a correct attitude. If we adopt a less than solemn or serious attitude toward historical mistakes, we cannot possibly sum up experiences and lessons in a really correct way. At present, together with the people of the whole country, our party is summing up historical experiences since the founding of the state. The aim is to facilitate the continuous exploration of our country's road to socialist modernization. The people of the whole country share the same will and the same thoughts, fighting amid hardships. A highly developed beautiful socialist society can become a complete reality in the vast land of China.

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## COMRADE MAO ZEDONG'S POSITION AND ROLE IN THE HISTORY OF THE CHINESE REVOLUTION

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[Article by Guan Jian [4619 0256]]

[Text] Comrade Mao Zedong was one of the founders of the Chinese Communist Party. After the founding of the Chinese Communist Party, he was for most of the time the principal leader of our party and the great leader of our party and the people of various nationalities in China. Comrade Mao Zedong's lifetime revolutionary activities were closely connected with the cause of emancipating the Chinese people. The great victories and achievements we won in the new democratic revolution, socialist revolution and socialist construction are inseparable from his correct guiding ideology. At the same time, the setbacks and mistakes we experienced in socialist practice are also related to certain mistakes made by Comrade Mao Zedong in his guiding ideology. Therefore, whether or not we can accurately appraise the merits and faults of Comrade Mao Zedong has a bearing on how to correctly recognize the great achievements of the party leader who led the people in waging struggle and how to correctly sum up and draw on historical experiences and lessons. Thus, it is a matter of interest to the whole party and the people throughout the country.

Our party has used dialectical materialism in studying problems, and its appraisal of historical personalities and events is objective, fair and realistic. Since the 3d Plenary Session of the 11th CCP Central Committee, the appraisal of Comrade Mao Zedong made by the party has been realistic. Just as Comrade Deng Xiaoping repeatedly pointed out: The appraisal of Chairman Mao must be very objective. Chairman Mao's merits are primary and his mistakes secondary. This estimate conforms with reality and we definitely must neither doubt nor negate this. Without Chairman Mao, the Chinese people would at the very least have had to grope in the dark for a much longer time. This is the basic appraisal of our party regarding the merits and faults of Comrade Mao Zedong. If we were to hold that because Comrade Mao Zedong did make mistakes we must negate his outstanding contributions to the cause of the revolution and his important position and great role in the history of the Chinese revolution, we would no doubt be making a mistake.

Lenin said: "Historical services are not judged by the contributions historical personalities did not make in respect of modern requirements, but by the new

contributions they did make as compared with their predecessors." ("Collected Works of Lenin," Vol 2, p 150) Facts are definitely like that. Since the birth of the communist movement, Marx, Engels and Lenin all in their own historical periods supplied more new concepts and theories which withstood the tests of practice for mankind, and the proletariat in particular, than their predecessors. Comrade Mao Zedong integrated the concrete practice of the Chinese revolution with the universal truth of Marxism-Leninism to provide our party and people with new things which Marx, Engels and Lenin did not supply. This is our most valuable historical legacy. In view of his contributions to revolutionary theories and revolutionary cause, no individual leader in our party can surpass him. Comrade Mao Zedong fully deserves the title of a great Marxist and a great proletarian revolutionary and strategist. This is a historical fact nobody can obliterate. The outstanding contributions made by Comrade Mao Zedong to the cause of the Chinese revolution definitely cannot be comprehensively discussed in one or two articles. Here, we are only telling how Comrade Mao Zedong formulated the correct line and policies for our party, how he led the Chinese people through difficulties when the Chinese revolution was at turning points and critical moments and how he insisted on educating all party members and cadres in Marxism and Leninism to explain his important position and great role in the history of the Chinese revolution and the great services he performed for the cause of the Chinese revolution.

#### **Proceeding From Actual Conditions in China, He Scientifically Analyzed the Class Relations and Formulated the Correct Line and Policies for the New Democratic Revolution and the Socialist Revolution**

Our party has led hundreds of millions of people in a country of 9.6 million square kilometers, fulfilled the task of the new democratic revolution and founded the People's Republic of China. After the founding of the People's Republic, it has also successfully carried out socialist revolution and socialist construction (with the exception of Taiwan Province). This has been a great earth-shaking historical event of profound significance.

The new democratic revolution of our country had occurred and developed in a semicolonial and semifeudal society. In this society, the various intricate and complex social contradictions and class relations were constantly changing and splits were also regularly occurring in revolutionary and counterrevolutionary camps. Under such conditions, it was extremely important to clarify who to make revolution against, who would lead the revolution and who we must unite with to make revolution. Today, it is of course very easy for us to answer this question. However, for quite some time after the founding of the party, there were still many people in the party unable to give a correct systematic answer.

Comrade Mao Zedong did not rely on reciting Marxist phrases by rote or indiscriminately copying foreign experiences to solve the problems of the Chinese revolution, but carried out a penetrating and scientific analysis of the economic and political conditions of various classes in Chinese society based on Marxist basic principles to arrive at a correct conclusion. Such works as "Analysis of Classes in Chinese Society," "The Chinese Revolution and the Chinese Communist Party" and "On New Democracy" in the "Selected Works of Mao Zedong" were

representative of the scientific analysis he made of the various classes in Chinese society. In these works, Comrade Mao Zedong developed the guidelines of the resolutions of the second, fourth and sixth party congresses and comprehensively and systematically solved such problems as the targets, motive forces and leadership of the revolution. Based on this kind of scientific analysis, Comrade Mao Zedong not only formulated the general line of "revolution of the masses led by the proletariat against imperialism, feudalism and bureaucrat capitalism" of the new democratic revolution, but in each different historical period following the development and changes in the situation of the class struggle he also proposed the specific line and policies and defined the strategy and policy decisions of the revolutionary struggle for our party.

In these works, Comrade Mao Zedong strongly stressed the importance of proletarian leadership. According to him, proletarian leadership meant that the proletariat must be the "commander" of the democratic revolution. There was a fierce debate over this in our party. Right capitulationist Chen Duxiu held that the bourgeois democratic revolution should be led by the bourgeoisie and the proletariat could only help the bourgeoisie and carry the chair for the bourgeoisie. Only after helping the bourgeoisie make a success of the revolution could the proletariat make its own revolution. Comrade Mao Zedong firmly opposed this view. He clearly pointed out: Because of its selfishness and lack of political and economic independence, the bourgeoisie can no longer be the leader of the democratic revolution. Moreover, "in addition to the basic qualities it shares with the proletariat everywhere," "the Chinese proletariat has many outstanding qualities." ("Selected Works of Mao Zedong," Vol 2, p 607) Therefore, only the proletariat could lead the Chinese revolution to victory. Peng Shuzhi who stood by Chen Duxiu instead maintained that leadership would "naturally" fall to the proletariat and there was no need to struggle for it. Comrade Mao Zedong disagreed. He held that leadership must be seized by force, and unless force was used, leadership would not naturally fall to the proletariat. Historical experience has borne out the correctness of Comrade Mao Zedong's thesis. When leadership was in the hands of the proletariat, the revolution would go backward and end in defeat. According to Comrade Mao Zedong, the central issue and basic hallmark of achieving proletarian leadership were the question of leading the peasants. Because in China, peasants accounted for the overwhelming majority of the population and they had suffered deeply from the oppression and exploitation of imperialism, feudalism and bureaucrat capitalism. Such people as Chen Duxiu and Wang Ming despised the peasants and had no faith in them. In the light of their mistake, Comrade Mao Zedong repeatedly pointed out: The peasantry is the firmest and most reliable ally of the proletariat. Only by forming a strong worker-peasant alliance can we unite with all revolutionary forces. The people's revolutionary war carried out for more than 20 years in China was in a certain sense also a peasant war. We may also put it this way. The final victory won by the new democratic revolution was mainly due to the energetic support and active participation of the peasants in the tens of millions.

In his analysis of the various classes in Chinese society, Comrade Mao Zedong's analysis of the bourgeoisie was the most remarkable. He smashed the "formalistic" framework and applied a method that was different from that used by Marx and Engels during their time to analyze the British, French and German bourgeoisie

and from that used by Lenin to analyze the Russian bourgeoisie, one based entirely on actual conditions in China. He held that as China was a semicolonial and semifeastal society, the bourgeoisie had divided into the national bourgeoisie and the big bourgeoisie. Having suffered imperialist and feudal oppression, the national bourgeoisie had a need to oppose imperialism and feudalism and could become a kind of revolutionary force. Therefore, the proletariat should form a united front with them. At the same time, he also held that the national bourgeoisie had countless ties with imperialism and feudalism and had a proneness to waver in the revolution; therefore, in the process of uniting with them we should also carry out a necessary struggle against them. This explained that the national bourgeoisie had a dual character and it was necessary to carry out a revolutionary dual policy of uniting with and also struggling against them. However, Chen Duxiu maintained that the bourgeoisie was the main force of the Chinese democratic revolution and we should only discuss uniting with them and not struggling against them. Comrade Li Lisan, who had been guilty of leftist mistakes, held that "the bourgeoisie has already become a part of the counter-revolutionary alliance," and his advocacy at that time was "to overthrow bourgeois domination." Wang Ming however negated in toto the existence of a middle class and a third force. He exaggerated the meaning of the struggle against the bourgeoisie and talked only of struggle but not of alliance. Comrade Mao Zedong however criticized this kind of left closed doorism as the tactics of "a person who has no mass support" and as "driving the fish into deep water and the sparrows into the thicket." This kind of policy actually drove "countless" people over to the enemy's side and completely isolated the proletariat and poor peasants. Like mistakes of the right, mistakes of the left also caused great harm to the revolutionary cause.

Comrade Mao Zedong also made a very profound analysis of the big landlords and big bourgeoisie. The big landlords and big bourgeoisie were the targets of the democratic revolution and we were trying to overthrow their reactionary rule during the democratic revolution. However, was the ruling class camp monolithic? Was there no contradiction among them? Left adventurists basically would neither admit to contradictions in the ruling class nor acknowledge that the revolutionary party should adopt the tactics of taking advantage of such contradictions. In contrast, Comrade Mao Zedong held that because China had suffered from the aggression and domination of many capitalist countries and because contradictions large and small existed in various groups and factions of the big landlords and big bourgeoisie supported by imperialists, they had different attitudes toward the revolution at different periods. Therefore, there should be a distinction between principal and nonprincipal enemies at a given period. Following the development and changes in class contradictions and national contradictions, certain groups and factions among them would also change accordingly. Yesterday's enemies could become today's friends, and friends of today could become tomorrow's enemies. Therefore, within a given period and under given conditions, we should take advantage of the contradictions among them to form a temporary alliance with some of them and concentrate our forces against the principal enemy. However, during this temporary alliance, we must not forget their reactionary character. We must carry out a resolute tit-for-tat struggle against their counterrevolutionary activities of guarding against, restricting and opposing communism. For the sake of not

breaking up the temporary alliance, this kind of struggle must adopt a reasonable, advantageous and moderate policy. In summing up the experiences of the revolutionary struggle, Comrade Mao Zedong also advanced the correct tactical thinking of "take advantage of contradictions win over the majority and oppose the minority and destroy them one by one." During the years of the revolutionary war and particularly during the period of the war of resistance against Japan, such comrades as Zhou Enlai and Dong Biwu used this tactical thinking of Comrade Mao Zedong to wage a successful struggle against the big landlords and big bourgeoisie represented by the Chiang Kai-shek clique.

After the victory of the new democratic revolution and the completion of land reform throughout the country, a new change took place in class relations in China. The big bourgeoisie and feudal landlords, which were the targets of the democratic revolution, had been exterminated and the influence of imperialist aggression had been driven out. The contradictions between the proletariat and the bourgeoisie and between the socialist road and the capitalist road became the principal contradiction of society. The socialist revolution must no doubt exterminate the bourgeoisie. However, how could this contradiction be resolved? At that time, some of the comrades held that the national bourgeoisie had no dual character during the socialist period but only a reactionary character. They advocated treating the national bourgeoisie in the same manner as the big bourgeoisie and called for their immediate extermination. This obviously was a kind of "leftist sentiment. As in the period of the democratic revolution, Comrade Mao Zedong was also very cautious in dealing with the national bourgeoisie during the socialist period. As early as in his report to the 2d Plenary Session of the 7th CCP Central Committee, he correctly pointed out: For a fairly long period after the victory of the democratic revolution, "we must still make use of the positive qualities of urban and rural private capitalism as far as possible, in the interest of developing the national economy." At the same time, "we shall adopt well-measured and flexible policies for restricting capitalism." Later, Comrade Mao Zedong also pointed out: "Exploitation of the working class for profit constitutes one side of the character of the national bourgeoisie, while its support of the constitution and its willingness to accept socialist transformation constitute the other." The contradictions between the working class and the national bourgeoisie are antagonistic, "but in the concrete conditions of China, this antagonistic contradiction between the two classes, if properly handled, can be transformed into a nonantagonistic one and be resolved by peaceful methods." ("Selected Works of Mao Zedong," Vol 5, p 365) Based on these ideas of Comrade Mao Zedong, our party adopted the policy of utilizing, restricting and transforming capitalist industry and commerce and, by means of assigned processing, the planned ordering of goods, state purchasing and marketing, distributing and selling on commission, joint state-private ownership and joint state-private ownership of all trades, carried out a transitional form of socialist transformation from lower to higher state capitalism. Within a few short years, we accomplished the peaceful buying out of the bourgeoisie as envisaged by Marx and Lenin and gradually transformed the capitalist industrialists and businessmen into self-supporting laborers. This was a brilliant achievement of Comrade Mao Zedong and the CCP Central Committee in integrating the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution and a great undertaking in the international communist movement.

## At Turning Points and Critical Moments of the Chinese Revolution, He Twice and Again Led the Revolution in Tiding Over Hardships and Advancing From One Victory to Another

The road of the Chinese revolution was not straight but had twists and turns. The revolution was at a high tide sometimes and at a low tide at others. It was characterized by advances and setbacks. In Comrade Mao Zedong's words, the Chinese revolution advanced "wave upon wave." In such an arduous and tortuous struggle, an outstanding leader should be able to exercise leadership and organize the masses to win victory when the revolution developed smoothly. A still more important requirement is that when the revolution is at a turning point or critical moment, he must be able to open up a road and lead the masses to advance by taking a detour. In the course of development of the Chinese revolution, Comrade Mao Zedong had twice and again led the whole party and the Chinese people in victoriously tiding over the hardships and delivered the party and the Red Army from danger, thereby guiding the revolution to advance from one victory to another.

In 1927, the Chinese revolution was at a very critical moment because of the betrayal by the bourgeoisie and also of Chen Duxiu's rightist capitulationism. Chiang Kai-shek and Wang Ching-wei who had pretended to be revolutionaries bared their counterrevolutionary features and frenziedly massacred the communists and the revolutionary masses. Under the cruel white terror, a group of unstable elements withdrew from the party. Some of them even became shameless renegades. Many others were perplexed and depressed, whereas, the genuine revolutionaries buried the bodies of their dead comrades, wiped away blood from their clothes, held high the banner of armed struggle and launched a brave counterattack against the Kuomintang reactionaries. In about 2 years' time, armed uprisings broke out in various localities on more than 200 occasions, producing a spectacular scene of struggle. However, most of these uprisings ended in failure because they mechanically followed the experience of the Soviet October Revolution and were aimed at capturing the cities. Practice of the revolution showed that according to China's concrete conditions our party must shift the focus of its work from cities to the countryside and preserve, revive and develop the revolutionary forces in the countryside, otherwise the revolution could not make headway. At that time, leaders of the CCP Central Committee and the armed uprisings in various localities were making strenuous efforts to explore a new road for the Chinese revolution and had accumulated some valuable experience. Comrade Mao Zedong was a principal representative advocating such a change. He organically combined revolutionary retreat with revolutionary attack, amassed revolutionary forces in the countryside and adopted the strategy of encircling the cities from the countryside and then capturing them, thus opening a new road of leading the Chinese revolution to victory.

When the Autumn Harvest Uprising in the Hunan-Jiangxi borders was defeated, Comrade Mao Zedong promptly made the strategic decision of marching to the middle section of the Luoxiao Mountains where the enemy's rule was weak, and established the first rural revolutionary base under our party's leadership. He was the first to have found the correct way to preserve, revive and develop the revolutionary forces. Later, when Comrades Zhu De and Chen Yi, together with their

armed forces which had survived the Nanchang Uprising and the Southern Hunan Uprising, joined him in the Jinggangshan Mountains, he, with their assistance, closely combined party building, armed struggle, land reform and the establishment of political power and built "an armed independent regime of workers and peasants," thereby consolidating the Jinggangshan revolutionary base, enabling people to see the orientation and prospects of the Chinese revolution and tremendously inspiring the vast number of revolutionaries. In his articles "Why Is It That Red Political Power Can Exist in China?" and "The Struggle in the Jinggangshan Mountains," he summed up the experiment of the struggle in the Jinggangshan Mountains and theoretically elucidated the conditions for the existence and development of the Red political power. With revolutionary bases established in southern Jiangxi and western Fujian, he wrote another article "A Single Spark Can Start a Prairie Fire" in 1930, in which he criticized the pessimistic ideas of Lin Biao and others, further explained the role played by the establishment and development of the Red political power in the Chinese revolution, and pointed out the new road of encircling the cities from the countryside and seizing political power by force. He said: "In semicolonial China the establishment and expansion of the Red Army, the guerrilla forces and the Red areas is the highest form of peasant struggle under the leadership of the proletariat" and "undoubtedly the most important factor in accelerating the revolutionary high tide throughout the country," and only by establishing an armed independent regime of workers and peasants "will it be possible to hasten the revolutionary high tide." ("Selected Works of Mao Zedong," Vol 1, p 95) It was by following the road of encircling the cities from the countryside and seizing political power by force as opened up by Comrade Mao Zedong and others that the Chinese revolution was able to win one victory after another.

However, because of Wang Ming's leftist adventurism, the central revolutionary bases founded by Comrade Mao Zedong and others and comprising 21 counties with a population of 2.5 million were all lost and the Red Army was in a critical moment. The masses of party members and cadres and Red Army commanders and fighters learned a lesson from this defeat. Subsequently, at the Zunyi meeting, the leftist military thinking was criticized, the CCP Central Committee was reorganized and Comrade Mao Zedong's correct leadership over the Red Army reestablished. After that, under Comrade Mao Zedong's command, the Red Army crossed the Chishui River four times, thrust deep into the enemy forces, crossed the Jinsha River by ingenious tactics and the Dadu River by force, jumped out of the circle of besiegement, chase and interception by hundreds of thousands of enemy troops, and triumphantly joined forces with the 4th Front Army. After the 1st and the 4th Front Armies had joined forces, the party and the Red Army encountered another crisis. At that time, relying on the great numbers of men and guns he had, Zhang Guotao who led the 4th Front Army attempted to force the CCP Central Committee to follow his wrong proposal of retreating to the Sichuan-Xizang borders inhabited by the minority nationalities. Comrade Mao Zedong firmly opposed him and resolutely led the units of the Red Army under him to march northward and victoriously reached northern Shaanxi very quickly. Zhang Guotao led the army units under him to Zhuomudiao, where he established a puppet "CCP Central Committee" and styled himself as "chairman," thus openly hoisting the flag of splitting the party. Due to the criticism and education by Comrade Mao Zedong and the CCP Central Committee and because of the firm opposition by

Comrades Zhu De, Liu Bocheng, He Long and Ren Bishi and the masses of commanders and fighters of the Red Army, Zhang Guotao eventually had to abolish the puppet "CCP Central Committee" and lead his army to march northward. As Comrade Liu Bocheng said: "Comrade Mao Zedong's correct leadership played a decisive role in rescuing the 4th Front Army from Zhang Guotao's wrong line, preserving the Red Army of Chinese workers and peasants despite the exceedingly difficult conditions and leading the Long March to victory."

After the Red Army arrived in northern Shaanxi and particularly after the "7 July" incident, our party, under Comrade Mao Zedong's leadership and in view of the fact that the national contradiction between the Chinese people and Japanese imperialism had become the principal contradiction, overcame the interferences coming from the "left" and the right, changed many of its policies during the decade of civil war, established the anti-Japanese national united front embracing the Chiang Kai-shek clique, and boldly aroused the masses to launch a people's war and, after 8 years of strenuous fighting, to win the war of resistance against Japan. After the victory of the war of resistance against Japan, Chiang Kai-shek continued to push his counterrevolutionary policy against the Communist Party and the people. He played the trick of peace with the one hand and launched an all-out civil war with the other hand. The people of the whole country were faced with two different destinies and two different futures, and the Chinese revolution again came to a major turning point. At that time, the Kuomintang reactionaries had a total of 4.3 million troops and occupied an area with a population of more than 300 million. They controlled the major cities and almost all of the country's railroads. They also had taken over all the equipment from 1 million Japanese aggressor troops and received enormous military and financial aid from U.S. imperialism. Whereas, the PLA had only 1.2 million troops, had liberated an area with a population of only 100 million and was mainly fed with millet and equipped with rifles. In the face of a formidable enemy, should we fight or not? And could we win if we fought? People at home and abroad were deeply worried about this and were divided in their opinions. At that time, Stalin did not agree to our fighting. He held that this fighting would bring the Chinese nation to destruction. He wanted our party to hand over its arms in exchange for a legitimate position. Some comrades in our party also overestimated the enemy forces, feared U.S. imperialism and were afraid of fighting against the seemingly powerful Kuomintang army. The CCP Central Committee and Comrade Mao Zedong refuted the wrong opinions at home and abroad and scientifically analyzed the current situation. In his articles "The Situation and Our Policy After the Victory in the War of Resistance Against Japan" and "The Present Situation and Our Tasks," Comrade Mao Zedong clearly pointed out that our policy was to give tit for tat and to fight for every inch of land; all reactionaries were terrifying, but in reality they were not so powerful; we must defeat Chiang Kai-shek and we could do so in 3 to 5 years; the darkness would be over and the dawn was ahead of us and we should eliminate all feeble ideas. To wipe out the U.S.-Chiang Kai-shek reactionaries, he put forth that strategically we should despise our enemies but tactically we should take them seriously. He also scientifically formulated the 10 major military principles for our army's operations and solved a series of major problems concerning using an inferior force to defeat a superior enemy force. His incisive analyses and scientific predictions greatly inspired the whole party, the whole army and all the Chinese

people to win a victory and guaranteed a triumphant development of the liberation war. During the great strategically decisive battles, Comrade Mao Zedong, together with Zhou Enlai, Ren Bishi and other comrades, remained in northern Shaanxi to take charge of the overall situation while Comrades Liu Shaoqi and Zhu De were in north China carrying out the tasks entrusted by the CCP Central Committee and Comrades Peng Dehuai, He Long, Liu Bocheng, Deng Xiaoping, Chen Yi and Luo Ronghuan were in command of the troops on the frontline. Fighting bloody battles, the PLA and the people of the liberated areas wrote brilliant chapters in the annals of war. Led by the CCP Central Committee's and Comrade Mao Zedong's brilliant idea of daring to struggle and knowing how to struggle, the PLA triumphantly smashed Chiang Kai-shek's full-scale offensive and attacks against key sectors, won brilliant victories in the Liaoxi-Shenyang, the Huai-Hai and the Beijing-Tianjin campaigns and brought the major strategic battles to a decision. In just 3 years and more, it wiped out 8 million Kuomintang reactionary troops, overthrew the reactionary rule of imperialism, feudalism and bureaucrat-capitalism and liberated the motherland, thereby achieving national independence, unification of the country and emancipation of the people, which the Chinese people had been longing for over a century.

#### He Consistently Attached Importance To Strengthening the Party Ideologically and Persisted in Using Marxism-Leninism To Educate the Masses of Party Members and Cadres

Our party was founded on the basis of the Marxist-Leninist theory on party building. During the democratic revolution and in the course of socialist revolution and construction, the party organizations at all levels played their role as the core of leadership and the masses of party members played their role as the backbone. However, since our party was not built in a vacuum but had to fight year in and year out in a society where there were classes and class struggles, nonproletarian ideas of every description were bound to contaminate the body of our party. In a country where the proletariat was small and where the peasants and other bourgeois classes made up the majority of the population, building a Marxist proletarian political party of a mass character was an extremely arduous task. Comrade Mao Zedong always attached importance to strengthening the party ideologically, suggesting that party members must join the party ideologically after joining it organizationally. He persisted in using Marxism-Leninism to educate the masses of party members and cadres and using proletarian ideas to remold and overcome nonproletarian ones.

"On Correcting Mistaken Ideas in the Party" adopted at the Gutian meeting at the end of December 1929 was a programmatic document drawn up by Comrade Mao Zedong in answer to a letter from the party Central Committee drafted under the direction of Comrade Zhou Enlai to help our army and party strengthen themselves ideologically. In this resolution, Comrade Mao Zedong applied the basic viewpoints of Marxism-Leninism to incisively analyze various nonproletarian ideas. He not only pointed out their specific manifestations and ideological roots in the party but put forth feasible ways of rectifying them. This resolution played an important role in eliminating various nonproletarian ideas within the revolutionary ranks at that time. Today, it is still regarded as a valuable document on the work of strengthening our party and army ideologically.

In view of the rightist and leftist mistakes committed by our party in the past, Comrade Mao Zedong attached great importance to conducting education on dialectical materialism among the masses of party members and cadres. In the early days of the war of resistance against Japanese aggression, he personally gave a number of lectures on materialism and dialectics. "On Practice" and "On Contradiction" were based on lectures given by Comrade Mao Zedong at the anti-Japanese military and political college in Yanan. In the essay "On Practice," Comrade Mao Zedong exposed the epistemological root of leftist and rightist mistakes. He pointed out: Rightist ideology fails to advance with the changing objective circumstances whereas leftist ideology outstrips a given stage of development of the objective process, regards fantasies as truth, strains to realize in the present an ideal which can only be realized in the future, alienates itself from the current practice of the majority of the people and from the reality of the day. Their common ground is subjective idealism. They are all characterized by the breach between the subjective and the objective, by the separation of knowledge from practice." In the essay "On Contradiction," Comrade Mao Zedong exposed the metaphysical way of thinking of the leftist dogmatists, pointing out that they are "larybones" who refuse to make concrete analysis of concrete things, who "regard general truths as emerging out of the void" and who turn truths "into purely abstract unfathomable formulas." Today, these philosophical works of Comrade Mao Zedong's are still radiating with the light of Marxism.

To help the broad masses of party members and cadres draw lessons from leftist and rightist mistakes made in the past and raise their level of understanding of Marxism-Leninism, Comrade Mao Zedong seized the opportune moment when the anti-Japanese war was in a stalemate to unfold a rectification movement throughout the party. At that time, our party followed the correct line and had made outstanding achievements in various fields. However, the influence of leftist and rightist mistakes, particularly the influence of Wang Ming's mistakes, had not been completely wiped out in the party. The three evil winds of subjectivism, sectarianism and stereotyped party writing were still endangering the revolution. In view of this situation, Comrade Mao Zedong successively wrote "Reform Our Study," "Rectify the Party's Work Style," "Oppose Stereotyped Party Writing," "Talks at the Yanan Forum on Literature and Art" and other reports in 2 short years in the early 1940's. In these writings, he further analyzed the party's previous mistakes and the petit bourgeois work style which existed extensively in the party and put forth the task of "fighting subjectivism in order to rectify the style of study, fighting sectarianism in order to rectify the style in party relations, and fighting party stereotypes in order to rectify the style of writing." ("Selected Works of Mao Zedong," Vol 3, p 770) Of this, the most crucial task is to oppose subjectivism because sectarianism is just a manifestation of subjectivism in organizational relations and party stereotypes are just manifestations of subjectivism in the style of writing. Comrade Mao Zedong held that there are two kinds of subjectivism, namely dogmatism and empiricism. The dogmatists do not apply the basic tenets of Marxism-Leninism to solve practical problems relating to the Chinese revolution. Instead, they regard Marxism-Leninism as dogma and copy them mechanically in disregard of specific conditions. The empiricists, on the other hand, ignore the guidance of the universal principle of Marxism and think of partial experience in terms of absolutes. Both dogmatism and empiricism are manifestations of subjectivism and metaphysics.

In the course of the rectification campaign, Comrade Mao Zedong also put forth the policy of "learning from past mistakes to avoid future ones and curing the sickness to save the patient." He held that it is necessary to make a special effort to analyze the ideological, social and historical roots of the mistakes in the party's history in order to achieve the two-fold objective of "clarity in ideology and unity among comrades." The erring comrades were profoundly educated by this. This rectification was in fact a universal education movement on Marxism-Leninism. In this campaign, comrades throughout the party conscientiously studied works by Marx, Engels, Lenin and Mao Zedong, examined and repudiated the mistakes in the party's history from the political, ideological and theoretical standpoint and greatly carried forward the work style of investigation and study, seeking truth from facts and integrating theory with practice. The whole party was ideologically unified like never before on the basis of Marxism-Leninism-Mao Zedong Thought. Without any hindrance, the 7th Enlarged Plenary Session of the 6th CCP Central Committee adopted the "Resolution on Certain Questions in the History of Our Party." After that, the united and victorious seventh party congress was convened, during which a solid ideological foundation was laid for victory in the anti-Japanese war and the war of liberation.

After nationwide victory, ours became the party which held the reins of state power. Under these new circumstances, Comrade Mao Zedong attached even greater importance to strengthening the party ideologically. As early as at the 2d Plenary Session of the 7th CCP Central Committee, he had already correctly appraised the new developments of class struggle at home and abroad. He pointed out: After emerging victorious in the revolution, certain attitudes may grow within the party--arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress. The flattery of the bourgeoisie may also conquer the weak-willed in our ranks. Thus, it is necessary to guard against attacks from the bourgeoisie with "sugar-coated bullets." He put forth this call: "The comrades must be helped to remain modest, prudent and free from arrogance and rashness in their work style. The comrades must be helped to preserve the style of plain living and hard struggle." ("Selected Works of Mao Zedong," Vol 4, pp 1376-1377) After nationwide victory, the overwhelming majority of our party comrades carried forward the revolutionary spirit of the war years, worked conscientiously for the prosperity of the country and exerted themselves in socialist revolution and construction. However, there is no denying that a small number of people were hit by "sugar-coated bullets." This shows that the solution of the question of joining the party ideologically cannot be overlooked. After the socialist transformation was in the main completed, Comrade Mao Zedong continued to use Marxism-Leninism to educate the party members and cadres, pointing out that we must "serve the people with our whole heart, not with half or two-thirds" (ibid., Vol 5, p 420); must not "live on the power of our office, high position or seniority" (ibid., p 422); and must "maintain the same vigor, the same revolutionary enthusiasm and the same death-defying spirit we displayed in the years of the revolutionary war and carry out revolutionary work through to the end." (ibid., p 420) How convincing are these remarks!

Educated by Marxism-Leninism-Mao Zedong Thought, the masses of party members and cadres have conscientiously summed up and assimilated experiences, both positive and negative, and have grown more and more mature and staunch in the past few decades. Today, we have in our party old revolutionaries who went through the test of the great revolution, Red Army fighters who fought bloody battles against Chiang Kai-shek's counterrevolutionary encirclement and suppression, "three-eighth type" personnel who braved untold dangers during the anti-Japanese war as well as large number of cadres who took part in the revolution during the war of liberation and thereafter. The fact that they were able to grow and mature after joining the revolution, that is, to make progress politically and raise their theoretical level, is inseparably linked with Comrade Mao Zedong's insistence on using Marxism-Leninism to educate them. Marxism-Leninism-Mao Zedong Thought has nurtured several generations of revolutionaries for our party. This is a fact.

From all of Comrade Mao Zedong's revolutionary activities, we can see that his life was the life of a great Marxist, the life of a great proletarian revolutionary and strategist. Comrade Mao Zedong did make certain mistakes in guiding ideology in his old age and even made serious mistakes during the decade of the "Great Cultural Revolution." However, viewed as a whole, his contributions toward China's revolutionary cause greatly exceeded his faults. He performed indelible feats in building and developing the Chinese Communist Party, building and strengthening the People's Liberation Army, founding the People's Republic of China and promoting the socialist cause in our country. His position and role in the history of the Chinese revolution cannot be underestimated. Basing themselves on the fundamental tenets of Marxism-Leninism, the members of the Chinese Communist Party represented by Comrade Mao Zedong made a scientific generalization of the unique practical experiences of the Chinese revolution from the theoretical standpoint and developed it into Mao Zedong Thought which guided the whole party and the people of the whole country in their struggle. This is the crystallization of the collective wisdom of the Chinese Communist Party. It is the application and development of Marxism-Leninism in China and is the precious spiritual wealth of our party. We won great victories under the guidance of Mao Zedong Thought in the past and we will continue to take Mao Zedong Thought as the guide to our actions in the future. Many of Comrade Mao Zedong's important works are still worth continual studying. However, Mao Zedong Thought cannot take the place of Marxism-Leninism and we must combine the study of Marxist-Leninist works with the study of Mao Zedong's works. As long as we uphold Marxism-Leninism-Mao Zedong Thought, work with one heart and one mind and forge ahead courageously in our new Long March, we can certainly build China step by step into a powerful socialist country which is materially modernized and which has a high degree of political democracy and spiritual civilization.

CSC: 4004/123

## SOONG CHING LING, CHINA'S GREAT WOMAN POLITICIAN

Beijing RED FLAG in Chinese No 11, 1 Jun 81 pp 19-21

[Article by Li Shu (7812 3412)]

[Text] Comrade Soong Ching Ling is modern China's great woman politician. Her exalted moral political character is greatly respected by the people. People throughout the country and throughout the entire world cannot but be deeply concerned about the state of her health.

Among the comrades in arms of Sun Yat-sen, Comrade Soong Ching Ling was not one of the earliest, but she was one who was extremely outstanding and continued to uphold the democratic ideals and one who was a most faithful and unwavering follower of Sun Yat-sen's revolutionary principles. Strictly speaking, her political talents were manifested in 1927 at the time when the great revolution was on the verge of collapse. The period from May to July that year was the season for political schemers. At the time, the new militarists, who had risen to power by taking advantage of the revolutionary zeal of the people, held conferences on 10 and 19 June in Zhengzhou and Xuzhou respectively. They discussed the formation of a coalition of the Nanjing and Wuhan governments and joint opposition to the communists. The "Northern Expeditionary Army" under the command of Tang Shengzhi suddenly turned around and returned to Wuhan for the purpose of suppressing the worker-peasant movement. On the evening of 14 July, Wang Jingwei called a secret meeting in Wuhan of the Presidium of the Central Political Council of the Kuomintang and announced the decision of "splitting with the communists" and changing Sun Yat-sen's three great policies, namely, alliance with the Soviet Union, alliance with the communists, and aid to workers and peasants. Preparations were made to convene on the next day an enlarged session of the Central Standing Committee of the Kuomintang to formally pass the resolution. It was precisely at this crucial juncture that on 14 July Soong Ching Ling made public her "statement of protest against the violation of Sun Yat-sen's revolutionary principles and policies." Unfortunately, she has not had time to write her memoirs; otherwise, she could well describe the tenseness of the situation at that moment. From the words of her statement, we can only visualize the image of the steadfast stand of this great woman politician before terrifying waves.

In her statement, Comrade Soong Ching Ling made very clear her stand in regard to Chinese politics. She announced her withdrawal from membership in the Central

Executive Committee of the Kuomintang. She declared: "As a member of the Central Executive Committee of the Kuomintang, I think it necessary to make a clear statement at the present moment. In my opinion, the interpretation by certain members of the Executive Committee of our party of Dr. Yat-sen's principles and policies go against his ideas and ideology. For this reason, I will not participate in the execution of the policies of this party." She stated that, concerning the revolution, she had her own concept, which she considered theoretically correct. This concept was: "All revolutions must be social revolutions and should be based on the fundamental reform of society; otherwise, they will not be revolutions in the real sense, merely changes in the government." This statement revealed that she not only had a penetrating understanding of this concept but her stand elevated her far above most people of that era. It must be admitted that this document was very remarkable. This statement made Comrade Soong Ching Ling the only revolutionary within the Kuomintang at the time.

Since the debacles of the great revolution in 1927, Comrade Ching Ling has kept her bearing as a politician and an outstanding and independent fighter at each and every juncture in the development of the revolution in China.

In 1932, at the time when the Kuomintang used White terror tactics to suppress the revolutionary movement, Comrade Soong Ching Ling invited such personages as Cai Yuanpei, Lu Xun and Yang Quan to form the China League for the Protection of Civil Rights. Its principal objectives were to protect the rights of the people and to rescue arrested revolutionary comrades. The league was at that time a very special social organization which only Comrade Soong Ching Ling could have headed. In her article "Tasks of the China League for the Protection of Civil Rights," Comrade Soong Ching Ling wrote:

"We must have a clear understanding of the nature of the China League for the Protection of Civil Rights. It is not a political party. Its purpose is not to lead the Chinese people in political and economic struggles. Its aim is not to lead in the struggle for political power. Nevertheless, while on the one hand we approach our work from this direction, on the other hand, it should be understood that the problems we are dealing with are of a political nature. In our first manifesto, we listed our tasks as follows:

- "1. To strive for the release of political prisoners in the country and to oppose the system presently in force of imprisoning, torturing and executing prisoners. The League concerns itself principally with the large number of detained prisoners.
- "2. To provide legal aid and other forms of aid to political prisoners, to investigate the conditions of prisons and to publicly reveal incidents involving violations of civil rights in the country, thereby arousing public sentiment.
- "3. To render aid to the struggle for civil rights such as the struggle for freedom in such spheres as publication, discussion, congregation and association.

"Since the league is not a political party, its membership may include all people who honestly support our demands and struggle. However, there is no place in our league at all for those who help the government to oppress the people or are in favor of its suppressive activities. The league does not want as its members people who merely criticize the government's outrageous and oppressive acts and in reality support the 'legalized' terrorist system in its entirety in suppressing the people, and those who support the Kuomintang, the landlords, the capitalists, the wealthy merchants and the political cliques of the militarists in their suppression of the democratic rights of the people."

Comrade Soong Ching Ling concluded by saying: "Since I believe in the ultimate victory of the Chinese people, I also believe that the revolution will certainly achieve its aims of securing our rights, of achieving China's unification, independence and integrity, and of establishing the people's right of self-government. I believe that the China League for the Protection of Civil Rights is one of the tools for attaining these objectives."

Under the leadership of Soong Ching Ling, the China League for the Protection of Civil Rights on the one hand engaged seriously in the task of aiding arrested revolutionaries, and on the other hand, strongly attacked the Kuomintang's fascist rule, doing its best to stop the killing of people. The league's most active member was its vice chairman and concurrently chief secretary, Yang Quan (Yang Xingfo), who almost single-handedly carried out all of the league's activities. Naturally, this could not but arouse the animosity of the Kuomintang reactionary clique, which ultimately assassinated him in Shanghai in June 1933. In fact, it was a clear warning to Comrade Soong Ching Ling from the Kuomintang. It put Comrade Soong Ching Ling and the Kuomintang reactionary clique on a sharply antagonistic course. In the "Statement on Yang Quan's Assassination," she pointed out: "it must be clear to the culprits responsible for killing Yang Quan that political crimes will eventually bring about their own punishment."

Comrade Soong Ching Ling by no means stopped her activities because of the Kuomintang's suppression. On the contrary, at each important juncture in the political struggle she asserted her solemn stand of patriotism and democracy. On 23 November 1936, the Kuomintang reactionary clique openly arrested seven leaders of the National Salvation Association of All Circles of the People on the charge of "endangering the republic." The leaders arrested were Shen Junru, Zhang Naiqi, Zou Taofen, Li Gongbo, Wang Zaoshi, Shi Liang and Sha Qianli. On 25 July both the SHANGHAI RIBAO and the Japanese paper MAINICHI SHIMBUN published in Shanghai carried the news of Soong Ching Ling's arrest by the authorities of Shanghai's French concession. Her alleged crime was engaging in communist activities of the Third International. Comrade Soong Ching Ling immediately released a statement "On the Arrest of Shen Junru and His Colleagues." The statement charged that the Japanese imperialists had instigated the Kuomintang reactionary clique to illegally arrest patriotic and democratic people, and that they were conspiring to make further arrests. At the beginning of the statement, she said: "Concerning the arrest of the seven leaders of the National Salvation Association of All Circles of the People, I especially wish to make a protest in my capacity of an executive member of this organization. I oppose this kind of illegal arrests and the groundless accusation against them." Finally, she

warned: "Let the Japanese militarists take care! Although they could instigate the arrest of these seven people behind the scenes, the Chinese people will not forgive them." To achieve the early release of the seven persons, Comrade Soong Ching Ling worked untiringly. Thus, she won the high esteem of the people.

After the Xian affair of December 1936, Chiang Kai-shek was forced by circumstances to accede to the demand made by Gen Zhang Xueliang, commander of the northeast armed forces, and Gen Yang Hucheng, commander of the northwest armed forces, to stop fighting the civil war and start fighting the Japanese. In February 1937 at the plenary session of the 3d Central Committee of the Kuomintang, when the question of ending the civil war was discussed, Comrade Soong Ching Ling, Feng Yuxiang and He Xiangning jointly proposed the restoration of Sun Yat-sen's three great policies of an alliance with the Soviet Union, an alliance with the communists and giving aid to the peasants and workers. At the meeting, Comrade Soong Ching Ling delivered a speech on "Implementing Sun Yat-sen's Principles." In her speech she explained the reasons for the motion to restore Sun Yat-sen's three great policies. Her explanation was extremely clear and penetrating. She said: "Each and every Chinese patriot is now happy that following these painful experiences the government has begun to understand that national salvation demands the cessation of the civil war and the full use of all the country's strength, including the communists, in order to protect the integrity of the Chinese nation. It is crystal-clear that the Chinese people must not fight each other. All Chinese people are unwilling to fight their brethren. They are aware that this is against the national interest. All kinds of internal disputes can and should be settled by peaceful means. Civil war should not erupt again. Peaceful unification must be realized. We must quickly build up our national defense to withstand foreign aggression." In conclusion, she humbly said: "There is nothing new in what I have said. I am only repeating what our former premier told us. I firmly believe that if our government can faithfully follow Sun Yat-sen's principles and take effective steps to carry out his three basic policies, China can very quickly be delivered from this internal turmoil and distress and earn the high esteem of the whole world." This was for many years Soong Ching Ling's first and last attendance at a meeting of the Central Committee of the Kuomintang. It was thus an extraordinary political step. It was taken because of the times--the eve of the start of Japan's war of aggression against China--and it was the unanimous demand of the people of the whole nation to unite together in a war of resistance. When war broke out, Soong Ching Ling contributed an article to New York's FORUM AND CENTURY magazine under the title "China Cannot Be Conquered." The article expressed her confidence that China would ultimately emerge victorious. She declared categorically: "Even though China might have to carry on the war single-handedly, it cannot be defeated. But China will not remain isolated. It has the sympathy of the whole world."

With the start of the anti-Japanese war, Comrade Soong Ching Ling turned to aiding guerrillas behind the enemy's lines as her main task. In June 1938, she organized in Hong Kong the Protect China League and devoted herself to providing medical aid in the battle zones. Between 1939 and 1944, she published many essays and newsletters under such titles as "Plea for Aid to Guerrillas," "When China Wins the War," "China Needs More Democracy," "Chinese Women's Struggle for Freedom," "Open Letter to China's Friends Overseas," and "Message to Workers in the United

States." In these articles she reported on the real situation of China's anti-Japanese war, told of the hopes of the Chinese people, and unveiled the conspiracies of the Kuomintang reactionary clique to destroy the united efforts in the war of resistance. These articles and newsletters made the work of the Protect China League under her leadership better known internationally. Through the introduction of the Protect China League, many international friends visited the base areas of the Eighth Route Army and the New Fourth Army, where they took part in wartime rescue and relief work. Among these international friends were: Dr Norman Bethune of the International Peace Hospital (Canada); Dr George Hatem (an American who became a Chinese citizen); Drs Kotuis, (ba-su-hua) [1572 5685 5478]; Edward, (mu-ke-hua) [2606 0344 5478] and (qiu-ke-hua) [0092 0344 5478] of the Calcutta medical unit of India; Dr Rosenthal of Austria; Dr Muller of Germany (now vice president of Beijing Medical College); Dr (ai-luo-shi) [1947 5012 5331] of the United States; and Miss (yu-wen) [0060 2429] of Canada. At the end of 1941, the Protect China League moved from Hong Kong to Zhongqing. In 1945, following the victory of the anti-Japanese war, it moved to Shanghai, where it was known as the China Welfare Fund Association. In 1950 it changed its name to the China Welfare Society. The magazine CHINA RECONSTRUCTS, published by the Foreign Language Press, is the organ of the China Welfare Society under Comrade Soong Ching Ling. Over the past 30 years, this magazine has played an important role in publicizing China abroad.

After liberation, Comrade Soong Ching Ling not only took part in government work but also earnestly devoted herself to social welfare work, particularly child care. Politically, she has all along shared the same views as the Communist Party and has been our party's unswerving and close comrade in arms. She never gave directions to other people, but because of her exalted character people respected her. She made no harsh criticisms of other people; nor would she praise other people undeservedly. In Si Maqian's composition "Eulogy to General Li," an adage of the time was quoted: "Blossoming peach trees, though silent, nevertheless attracted admirers and a well-trodden path was made around them." This, in my opinion, aptly described Comrade Soong Ching Ling's exalted character and her influence among the people. Certainly, she is deeply gratified by the people's deep concern for her.

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## ACTIVELY PROMOTE THE BUILDING OF SOCIALIST SPIRITUAL CIVILIZATION

Beijing RED FLAG in Chinese No 11, 1 Jun 81 pp 22-27

[Article by Xu Lu [1776 6424] and Xie Hong [(200 1347)]

(Text) The party Central Committee has issued the call that, while building material civilization, we should also build socialist spiritual civilization. This has embodied the common wish of the people of various nationalities all over the country in wanting civilization, not barbarism and backwardness; and desiring stability and unity, working with a will to make the country strong, not passiveness, slackness and turmoil. Under the leadership of the party Central Committee, a high tide of energetically building socialist spiritual civilization is rising; more and more new people, new things and new habits are emerging everywhere, and heartening changes have begun to take place in the mental attitude of the people and the general mood of society. It can be concluded that, together with the various tasks of construction, building socialist spiritual civilization will become a powerful trend of the times, which is of extremely important practical and far-reaching historical significance in enhancing the people's revolutionary spirit and in doing a good job, with one heart and one mind, in the various arduous tasks centered on readjusting the national economy, thus building our country into a powerful socialist country with highly developed democracy and civilization.

### Socialism Is a Completely New Stage of Development in Human Civilization

In the history of mankind, material production and spiritual production always affect each other in different ways. Human civilization is invariably the sum total of material civilization and spiritual civilization. Although the relationship between material civilization and spiritual civilization is not balanced and is sometimes even contradictory, generally speaking, material civilization is the foundation and source of spiritual civilization, whereas spiritual civilization is the condition and guarantee for developing material civilization. In a socialist society, the mutually complementary and restricted relations of the two are more apparent. The socialism we are going to build cannot be summed up merely as an economic system (though that is the foundation). It also calls for a corresponding superstructure that embodies socialist demands in all aspects and tallies with socialist principles. Generally speaking, it is imperative to build not only highly developed material civilization but also highly developed spiritual civilization.

In the past society in which the exploiting classes held the dominant position, because the social relations of production were antagonistic and the predominant ideas and ethics were gradually becoming antagonistic to the interests of the people and the demands of social progress, civilization was based on the exploitation of man by man, and oppression and slavery. Lopsidedness thus emerged. All kinds of uncivilized and immoral phenomena were regarded as unalterable principles.

However, socialism aims at the elimination of all kinds of exploitation. It not only aims at thoroughly sweeping away the remnants of the "man eating man" feudal system but also, on the basis of wiping out the "wage slave system," that is, the capitalist exploitation system, at rooting out the various uncivilized phenomena brought about by this system. Socialism has set up a political power which represents and serves the people, public ownership of the means of production and a new-style relationship of mutual aid and cooperation between man and man. This will inevitably cause the new ideology which reflects the new system to take the leading position. It is precisely the socialist system that has not only opened up a broad way for the development of social productive forces but has also changed the irrational phenomenon in which a small number of people monopolized culture. It thus enables the masses to have the opportunity to grasp culture and benefit from it. In a socialist society, the aim of both material production and spiritual production is to meet the needs of the people and the whole of society. All this insures that socialism will promote the healthy development of material civilization and spiritual civilization and become a completely new stage in the development of human civilization.

Of course, building socialism is a historical process. After the seizure of political power by the working class in the early stage of socialist transformation and construction, a highly developed civilization cannot be attained spontaneously. However, as Lenin said: After the seizure of political power by the working class, no matter what happens, they should "strive for unusual conditions for further developing civilization." ("Selected Works of Lenin," Vol 4, p 691) With regard to the need for civilization in building socialism, Lenin criticized the argument that "Russian productive force has not developed to such a degree as to realize socialism" and that the socialist revolution could not be carried out as "an extremely pendentive" understanding of Marxism, and pointed out: According to revolutionary dialectics, if the building of socialism requires civilization, why cannot we first carry out the revolution to strive for the "prerequisite for obtaining this specific level"? Facts have precisely shown that it is the victory of the revolution that creates the above-stated "fundamental conditions for developing civilization." It is beyond doubt that so long as we constantly advance along the socialist road, we will certainly further create a more magnificent, highly developed socialist civilization.

#### **Building of Both Material and Spiritual Civilization Requires Science and Culture**

The scientific and cultural knowledge which has been accumulated by mankind for thousands of years is not only the lever but also the precious resource for building spiritual civilization. In the age when man ate birds and animals raw or engaged in slash-and-burn cultivation, there was no or very little

"civilization." Man could gradually get rid of ignorance and barbarism and enter the increasingly civilized era, because in the process of material production, he constantly accumulated and passed on his own experience and skills from which he abstracted scientific and cultural knowledge.

As the development of material production cannot be separated from history, socialist spiritual civilization is not fabricated out of the "pure" minds of the proletariat, but is a logical development of the whole spiritual civilization in the history of mankind. As the crystallization of human wisdom, scientific and cultural knowledge embodies and changes into social productive forces and becomes a tool for man to transform the objective world. This finds expression in material civilization. In the meantime, as man's cultural accomplishment, scientific and cultural knowledge, is symbolized in the ability to think, work and create, under certain conditions, through conscientious ideological and political education, it can change into man's ethical values, ideals and beliefs and become the important component of spiritual civilization. Precisely in this sense, Lenin repeatedly stressed: "Only when we arm ourselves with the whole wealth of knowledge created by mankind can we become communists." We should pay attention to this dialectical relationship. Especially in the contemporary era, the progress of science and technology has become the key link in developing social productive forces, and scientific and cultural knowledge has become the indispensable condition for developing the economy, managing society and raising labor productivity. Grasping modern science and culture is of great significance in man's labor and work as well as in his political and spiritual life. Therefore, in any sense, negligence in science and culture will only promote backwardness, but raising the scientific and cultural level will certainly make more and more people wiser, more conscious and more creative.

Without doubt, the crystallization of wisdom, the accumulation and passing on of knowledge and skills in a nation and country, and the educational and cultural level of its people, are important components of its spiritual civilization. In addition, ideology, part of spiritual civilization, that is, the predominant ideological system and the ideals, beliefs and ethical values which are radiated and restricted by it, permeate science and culture in a greater degree. Therefore, in building socialist spiritual civilization, we should not only try hard to develop science and education, activate academic research and literary and artistic creation, and unfold a rich and varied cultural life, but also effectively strengthen education and propaganda on Marxism, cultivate man's lofty revolutionary ideals, foster fine social ethical practices and continuously eradicate the ideological influence of feudalism and the bourgeoisie. In other words, we should not only energetically raise the scientific and cultural level of the Chinese nation but also inspire the revolutionary spirit of the whole nation.

#### The Key To Building Socialist Spiritual Civilization

Of course, wisdom and ethics, science and culture, as well as ideals and beliefs are closely related but are not entirely one and the same thing. As we have mentioned above, in a society in which the exploiting classes hold the dominant

position, for instance, in the current developed capitalist society, material civilization and science are highly developed, but, owing to the social system, there exist a spreading irresistible spiritual crisis and an ethical decadence. In that society, the relation of monetary buying and selling dominates everything, and even human dignity and the soul have become commodities for capitalism. Bourgeois ethical concepts, such as benefiting oneself at the expense of others and putting profit before everything, infiltrate every field. Reactionary trends of thought hostile to the people and social progress spread unchecked everywhere. However, in a socialist society, although our material civilization and scientific and cultural level cannot catch up with those of some capitalist countries within a short time, the establishment of socialist public ownership of the means of production plus the socialist ideology which holds the dominant position, representing the trend of social progress and embodying the common interests of the people, determine that the socialist mental attitude is dynamic and full of vitality. It is precisely on this point that the socialist system demonstrates its superiority. The aim of our building socialist spiritual civilization is precisely to bring the superiority of the socialist system into fuller play and accelerate the whole modernization program. Accordingly, the focal point of building spiritual civilization should naturally be based on upholding communist thought and ethics.

Communism is a kind of ideological system and social system. It "is the theoretical summation of the conditions for the liberation of the proletariat" and is the goal of struggle and the road to this goal of us communists. The building of socialism should be led by the Communist Party, and the world outlook of the Communist Party is communism. Meanwhile, as a stage of communism, socialism cannot be entirely independent from communism. Hence, without the leadership of the Communist Party and without the guidance of communist thought, it is impossible to carry out socialist construction. This is the fundamental reason why we should carry out socialist construction today under the guidance of communist thought. In this sense, we can say that with communist thought there will be a highly developed spiritual civilization. It is justifiable to say that the birth of Marxism was a great achievement in the spiritual civilization of mankind. It was precisely Marx and Engels who meticulously investigated and brought to light the laws and trends of capitalist social movements, summed up the rich experiences of the proletarian revolutionary movement, absorbed and transformed all valuable ideologies and culture created in the process of the whole development of mankind, and thus founded the serious scientific system of Marxism. From the day it was founded, with its strength of truth, this scientific system has continuously pointed out to the working class and the laboring people the laws of historical movement and the orientation for advance, helped people build confidence and faith, and determined the methods for struggle. Practice proves that whoever really understands and grasps the Marxist stand, viewpoint and method will remain clear-headed and avoid confusion in handling complex problems; will be calm and unhurried as well as fearless in facing serious dangers and difficulties; will not be disheartened and panic-stricken when suffering setbacks and failures, but on the contrary will be able to direct his actions with the knowledge of regularity and win final victory with full confidence and indomitability.

Of course, by Marxism we do not mean an ossified dogma, or the arbitrary picking out a phrase or two from it, but an ever-enriching and developing scientific system which constantly absorbs the new experiences of the revolution and construction in practice and the new scientific and cultural achievements. Lenin once exhorted the socialists: "Socialists must develop science in all directions if they wish to keep pace with life." ("Collected Works of Lenin," Vol 4, p 187) Every victory in our revolution and construction has proved the correctness of the fundamental Marxist principles and has manifested the tremendous vitality of Marxism. Over the past years, the distortion and falsification of Marxism by Lin Biao and the "gang of four" created some confusion in people's minds. Concurrently, we suffered setbacks and faults of one kind or another and, in addition, there was great interference in our investigation and research work, with the result that we failed to give Marxist replies to the new practical problems arising in reality. This state of affairs has raised doubts of one kind or another about Marxism among some people. Our present task is to better study the new situation and solve the new problems, uphold the fundamental Marxist principles, draw a demarcation line between Marxism and various old and decayed or "modern" non-Marxist trends of thought, and enrich and develop Marxism in the struggle against tendencies of all descriptions which deviate from the guidance of Marxism. Spiritual civilization divorced from the guidance of Marxism is definitely not socialist spiritual civilization.

The Marxist theory of communism is our great ideal and the mainstay of our confidence and strength. In building a highly developed socialist spiritual civilization, we should attach importance to education in communist thought in order to make more and more people concern themselves with the future of the motherland and the destiny of mankind.

Ideals and beliefs are a powerful spiritual force. A man without ideals and concerned only with his own little calculations will be mentally barren and spiritually disintegrated; without ideals, a nation's strength will disperse and its vitality will wane. Since the birth of Marxism, countless revolutionaries of the older generation, one stepping into the breach as another fell, have fought bloody battles, which eventually resulted in the realization of socialism. Of course, socialism is a brand-new social system, which is constantly developing and improving. In its advance, socialism will unavoidably encounter difficulties, setbacks and faults of various kinds. This is a period which calls for tenacious organizational work and arduous economic, political and cultural construction, and is a process which is full of advances and retreats, victories and failures as well as experiments and explorations. However, no matter what happens, the law of historical development is irreversible. The masses can perfect socialism in practice with a firm and tenacious will after repeated experiments, comparisons, study and summations. The greater the difficulties, the more the radiance and encouragement of ideals are needed, and that is also the time when ideals are formed and an heroic spirit is developed.

Revolutionary ideals are not religious superstitions, or purely imaginary castles in the air, but a realistic vista based on the understanding of objective laws. In this sense, they can be called the encapsulation and concentration of reality. Only such ideals can be embraced and spark the people's enthusiasm for devoting

themselves to them. One of the fundamental principles of historical materialism is that the objective demands of any mature historical task will find expression not only in the formation of scientific theory but also in the wishes, feelings and will of classes, nations and the masses. This kind of wishes, feelings and will will become a tremendous spiritual force once the classes accept the inspiration and guidance of scientific theory. This is the reason why any classes which are on the rise and any countries and nations which are full of the spirit of historical initiative can abstract their program and ideals from the historical tasks they have realized and write them on their banners, and these banners of their thoughts will radiate the most heartening force, calling on thousands upon thousands of people to go through fire and water and fight courageously. If we say that the revolutionary ideals and the spirit of historical initiative of all exploiting classes are limited, and readily change into degeneration and reaction, for the satisfaction of private interests, then, taking the liberation of all mankind as its own responsibility and with its lofty communist ideals, the proletariat can forever preserve its revolutionary vitality.

### The Great Strength of Ethics and Revolutionary Spirit

After Marxist ideals, beliefs, revolutionary stand and principles strike root in the hearts of the people, they will naturally be transformed into people's conscious actions and moral character and form a fine social atmosphere of habits and customs.

Communist ethics are not abstract dogma but the extension of the fundamental interests of the proletariat and the masses in the process of revolution and construction. The proletariat represents the most advanced mode of production, and it selflessly takes the complete abolition of exploitation, the elimination of classes, the liberation of the whole of mankind and the realization of communism throughout the world as its own responsibility. In the liberation movements, the proletariat represents the overall situation and the future, and possesses communist ethics diametrically opposed to the ethical concepts of all exploiting classes. In dealing with the three German classes at the time (the aristocracy, the bourgeoisie and the proletariat) each with its own special ethics, Engels pointed out in "Anti-Duhring": "That which represents the current change of the status quo and the would-be ethics, that is, proletarian ethics, will undoubtedly possess the most factors for lasting long." In our socialist country, the establishment of the public ownership of the means of production, and the common interests, feelings, wish and common aims of struggle formed on this basis, have provided us with proletarian ethics, that is, communist ethics with a solid basis for vigorous development.

At present, communist ethics are not only the content of ideological education but also the advanced factors that are growing day by day in reality. In line with the principle that the interests of the individual are dependent on those of the collective, partial and local interests are dependent on those of the whole and intermediate interests are dependent on the long-term interests, communist ethics demand that those who have revolutionary consciousness be utterly loyal to the cause of communism and conscientiously observe discipline in the interest of the revolution, the party and the people, to which they should

courageously dedicate themselves. Everyone must have his own specific material interests, but this does not mean that he can concentrate on struggling for his own private interests and doing everything for money at the expense of the interests of the state, the collective and the individual. If so, it would be nothing but bourgeois ethics.

Really good behavior is not only rooted in the soil of reality but also represents outstanding ideals and lofty integrity and embodies faith in and pursuit of a bright future. Thus, being attractive and infectious, this ethical behavior becomes an example for people to follow. Without the latter aspect, the strength of ethics will weaken. Of course, this does not mean that all people should at once reach the ethical standard of communists. In building socialist spiritual civilization, we should first of all ask the advanced elements to carry on the communist ethics and carry forward these ethics step by step among the masses, so as to standardize and coordinate the relationships between the individual and society and between man and man in the whole of society, and concentrate the people's strength and will on propelling forward the four modernizations program and society.

In building a highly developed socialist spiritual civilization, since we mean chiefly the upholding of communist thought and ethics, the revolutionary spirit that is radiated and determined by the communist thought and ethics has to become the important content of socialist spiritual civilization.

Lenin once said: "Marxism differs from all other socialist theories in the remarkable way it combines complete scientific sobriety in the analysis of the objective state of affairs and the objective course of evolution with the most emphatic recognition of the importance of the revolutionary energy, revolutionary creative genius and revolutionary initiative of the masses--and also, of course, of individuals, groups, organisations, and parties that are able to discover and achieve contact with one or another class." ("Collected Works of Lenin," Vol 13, pp 19-20) The revolutionary do-or-die spirit, the spirit of observing strict discipline and self-sacrifice, the spirit of crushing all enemies and overcoming all difficulties, the spirit of revolutionary optimism and surmounting every difficulty to win victory, and the spirit of "fearing neither hardship nor death," which were all formed constantly in the process of the struggle carried out by our party, are the concentrated expression of the revolutionary energy and revolutionary initiative of the masses. If we say "a great aim leads to great energy," then great revolutionary energy is the irresistible mighty torrent for attaining the revolutionary aim.

Marxists always attach importance to the role of revolutionary spirit. This is fundamentally different from the idealist concept of willpower. Socialism is not only science but also the vigorous historical creative activities of hundreds of millions of people and a great practice. Without the guidance of scientific knowledge and scientific theory, such a great practice will become a blind practice; under similar circumstances, without the encouragement of revolutionary willpower and revolutionary zeal, practice will be lifeless, not tenacious and indomitable. The following of objective laws and the bringing of man's subjective activity into play can be unified. Marxism points out that

freedom is the understanding of necessity. It has shown the way to unify these two. Social existence determines social ideology, while social ideology plays a tremendous counteraction role on social existence. What is especially important is that the more correctly social ideology reflects social existence and the laws of its development, the more vigorously it promotes the transformation and development of social existence. In these circumstances, the dynamic role of social ideology is absolutely not an imaginary thing that is not founded on an objective basis and objective conditions.

#### An Arduous Task—the Bounden Duty of the Whole Party

Building a highly developed socialist spiritual civilization and making it penetrate all fields of economic, political and cultural life is a long-term arduous task which calls for the concerted efforts of the whole party, the whole army and the people of all nationalities throughout the country. The theoretical, educational, literature and art, and scientific circles and all other ideological departments are now being urged to make their own contributions to this field. Literature and art circles in particular, who have the important responsibility of molding people's minds, of raising people's realm of thought, aesthetic temperament and interests, and ethical values, and of training new people for socialism, must make greater contributions.

The CCP and CYL members and thousands upon thousands of advanced elements with communist awareness are the reinforcements for our building of socialist spiritual civilization. This is a massive force. Their words and deeds have a decisive impact on the building of socialist spiritual civilization. Therefore, in the various activities of building socialist spiritual civilization, we should pay special attention to giving scope to the exemplary and leading role of the advanced elements.

The CCP members are the vanguard of the working class and naturally they should be the most conscious and civilized. For more than half a century, our party has precisely relied on the vast numbers of its own members who sincerely believe in Marxism-Leninism, who respect science and seek truth, and on their lofty moral character of sacrificing everything for the people's interests, to attract and unite the broad masses of people to fight together; they eventually overthrew the three big mountains of imperialism, feudalism and bureaucrat-capitalism and won one big victory after another in socialist revolution and construction. All Communist Party members must think of the vigorous revolutionary spirit of plain living and hard struggle in the Yan'an days and the various revolutionary bases; think of the pioneering spirit of the comrades of the whole party in the early postliberation period, and think of the vigorous fighting will of uniting as one to surmount all difficulties in the early 1960's. In those days, the spirit of serving the people wholeheartedly, the spirit of selflessness and putting other people's interests ahead of one's own, the proletarian heroic and arduous pioneering spirit of overcoming all enemies and difficulties and not being defeated by any enemies and difficulties became the characteristics of the mental attitude of the Communist Party members and the people. This revolutionary spirit took deep root in the hearts of the Communist Party members and permeated their words and deeds. Therefore, they could attract and

unite the broad masses, resulting in a vigorous ever-victorious situation. This spirit once encouraged us to win victory. Nowadays, it should be brought into fuller play and become the force for uniting the masses to win new victory. This is the glorious bounden duty of the whole party.

Our economy, politics, culture and social moral character were seriously damaged by the 10 years of chaos; in particular, their evil and pernicious influence on the minds of the younger generation was immeasurable. Since the smashing of the "gang of four," through bringing order out of chaos, and especially since the 3d Plenary Session of the 11th CCP Central Committee worked out the correct line, principles and policies, fundamental changes have taken place in the situation. The damaged socialist economic base and superstructure are being revived and developed step by step. The overall situation is good. But there are difficulties facing us. Our country has a poor foundation, a weak economic base, a huge population and a backward economy. This brings disadvantages to our socialist modernization program. The remnants of feudalism and the corrosive influence of capitalist ideology, anarchism, ultra-individualism and the tendencies toward bourgeois liberalism not only sabotage communist moral principles but also cause a few people to doubt, negate and oppose the four basic principles. This confused situation has provided an opportunity for those who strive to stir up trouble in order to carry out destructive activities. This cannot but call for serious vigilance on the part of the comrades of the whole party. Every party member must keep a cool head and enhance revolutionary vigor to first of all do a good job of promoting the party work style and make his own contributions to building a highly developed socialist spiritual civilization. If a party member cannot play an exemplary and leading role in the building of socialist spiritual civilization, he certainly cannot be regarded as a party member who is up to standard.

The historical task of building a powerful modern socialist country is calling on us party members. We should set an example in popularizing communist thought and ethics among the whole people and the younger generation, to make them the main pillar of the highly developed spiritual civilization of the PRC, and to make this spiritual civilization cherished and admired by all people in the world who desire revolution and progress. Only when the comrades of the whole party have such confidence and determination and translate them into action can we unite and lead the people of various nationalities throughout the nation with one heart and one mind to vigorously march forward toward our grand goal!

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## THE PROBLEM OF URBAN EMPLOYMENT DURING THE PERIOD OF READJUSTMENT

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[Article by Zhuang Qidong [1641 0796 2639] and Sun Keliang [1327 0344 0081]]

[Text] During the period of readjustment, tens of millions of workers in our country need to be assigned jobs. The labor employment problem is further aggravated by the reduction in the scale of capital construction as well as by the closing of, suspension of production at, merging of and shifts in the types of production of a small number of enterprises. Therefore, doing a good job of arranging jobs for workers and satisfactorily solving the employment problem of workers waiting to be assigned jobs are important links related to the smooth progress of economic readjustment work and the maintenance of a political situation of stability and unity. We will now present our views on these issues.

### An Assessment of the Labor Employment Problem During the Period of Readjustment

According to estimates by authorities concerned, from 1981 to 1985, our country must arrange jobs for over 30 million workers in the cities and towns, a number equivalent to the population of a medium-sized country. This year alone, we must arrange jobs for around 10 million people. Some comrades are frightened by the thought of this enormous task. They feel that the labor employment problem during the period of readjustment is beyond our ability to handle. Our view is that if we simplistically proceed from these mammoth figures, we will very probably miscalculate the labor employment problem during the period of readjustment, so that we will lose confidence and adopt erroneous policies. Only by analyzing this problem comprehensively and concretely can we arrive at an assessment which is relatively compatible with reality. We should not only realize the gravity of the labor employment problem, but also consider various factors which tend to alleviate it.

First, as a result of our work over the past 4 years, particularly in 1979 and 1980, in arranging jobs for people, the overwhelming majority of the educated youths who went to work in the countryside and mountain areas during the Great Cultural Revolution have been properly accommodated. This group of people is older, they have been waiting to be assigned jobs for a long time, their need for employment is most urgent, and jobs must be arranged for all of them at the same time. When the problem of this large group of people is solved, the most

arduous task in our work of arranging jobs will have been accomplished and the problem markedly alleviated.

Second, over 50 percent of our country's urban population has jobs, a figure that ranks first in the world. The support coefficient for urban workers is merely 0.8 (that is, each urban worker needs to support only 0.8 economically dependent persons), which is one of the lowest figures in the world. Thus, there are not too many workers' children who really live in very dire circumstances and who urgently need jobs. Moreover, according to information from the authorities concerned, many of the 4 million young people waiting to be assigned jobs who were not accommodated last year were not actually "idle and unorganized." In fact, they were "unorganized" but working. Some of them are even earning a substantial income. Furthermore, judging from the reality in arranging jobs over the past several years, every year in every locality there are a number of young people who temporarily do not require job assignments, either because they are planning to engage in further studies, or because they are suffering from chronic diseases which need treatment, or because they cannot free themselves from household duties. According to estimates by Beijing municipality, this year these circumstances apply to probably around 20,000, or around 10 percent, of the 200,000 young people in Beijing waiting to be assigned jobs. If we extrapolate on the basis of this percentage, out of the 10 million people in our country who are waiting to be assigned jobs this year, around 1 million temporarily do not need jobs. This shows that the actual number of people who need to be assigned jobs during the period of readjustment is smaller than the estimated figure we mentioned earlier.

Moreover, an analysis of the situation in arranging jobs in 1979 and 1980 reveals that every year around 4 million people cannot be accommodated in that year and must be accommodated in the following year. This figure is roughly equivalent to the total number of our country's urban junior and senior secondary school students who graduate in one year. That is to say, at present in our country, the people who are waiting to be assigned jobs but cannot be accommodated opportunely are basically the new labor force appearing in the towns and cities each year. Judging from our country's present conditions, a proportion of the junior and senior secondary school graduates who cannot pursue further studies in the year of graduation need to wait 1 or 2 years before they are assigned jobs. (In fact, many parents want their children to revise what they have studied in preparation for further studies.) We should say that this situation is difficult to avoid. Very few other countries can provide sufficient jobs for all new elements of the labor force each year. If a normal limit for the number of people in society who wait to be assigned jobs objectively exists in our country in the period of economic readjustment, then we believe that it is basically normal for the number of people waiting to be assigned jobs to be equal to (or slightly larger than) the number of new workers joining the labor force each year. Of course, we hope that the number of people in society waiting to be assigned jobs can be reduced to the minimum. In the long run, we will actually be able to arrange jobs for all new workers joining the labor force each year. However, it is obviously difficult to achieve this in the period of readjustment. It seems that in the period of readjustment, it is difficult to avoid having about 3 or 4 million people waiting to be assigned jobs at the end of each year.

If we think in this way and keep this point in mind in our work, there will be more advantage and less harm to our readjustment work.

We are against regarding the labor employment problem during the period of readjustment as unmanageably serious, not only because we have recognized the factors mentioned above which help alleviate the problem, but also because these are certain favorable conditions for solving the problem. These conditions are mainly the following:

First, we have both successful experiences in and the necessary material foundation for solving the labor employment problem.

During the early days of the People's Republic, our country was faced with the problem of an unemployment figure of over 4 million. At that time, our party and government adopted various methods, including assigning jobs instead of providing unemployment relief, encouraging the unemployed to take part in production and seek jobs themselves, arranging jobs for them by state planning and so on. By 1957, not only had we completely solved the unemployment problem handed down to us by the old society, but we had arranged jobs for more than 10 million new workers. At present, the number of workers waiting to be assigned jobs is larger than in the 1950's, but we should realize that our country's economic strength is now much greater than in the 1950's and our material foundation for increasing employment is also much stronger. Compared with 1957, in 1979 our country's national income had increased by 270 percent, the value of fixed assets had increased by 820 percent, the value of industrial fixed assets had grown by nearly 1,000 percent, and the total value of industrial output had grown by 540 percent. The total number of workers who need to be assigned jobs during the period of readjustment is at most some 100 percent larger than in the early 1950's. With a good material foundation and with correct policies and effective measures, we will be able to solve the labor employment problem without much difficulty.

Second, the readjustment of our economic structure gives rise to favorable conditions for increasing employment.

Our country's current economic readjustment work is meant to alter the irrational economic structure, so that it will become compatible with our national conditions and with the needs of sound economic development and improved economic results. The aim, substance and means of readjustment are consistent with the requirements for solving the labor employment problem. For example, in readjusting the internal structure of industry, we need to quicken the development of the light and textile industries. Such industries are much more labor-intensive than heavy industry. Increasing their relative importance in the economy will naturally be conducive to employing more workers. According to statistics, the numbers of workers that can be employed for each million yuan of fixed assets are 94 in heavy industry, 257 in light industry or the textile industry, and as high as 800 in certain light industrial occupations such as arts and crafts, garment making, leather goods and so on. According to estimates by departments concerned, by expanding the export of products of labor-intensive industries, we can provide employment for some 1 million people. Currently, in readjusting the

proportional relationship between the sector of material production and the sector of nonmaterial production, we need to appropriately develop the sector of nonmaterial production. This is also favorable to increasing employment, because the majority of service trades have the characteristics of being labor-intensive and providing jobs that can be easily assigned to most workers. According to calculations, if in the period of readjustment the proportion of workers in our total population who are employed by the commercial sector is restored to the 1957 level, an additional 3 million people or more can be employed. Thus, readjustment itself is an important means to solve the labor employment problem during the period of readjustment.

Third, the party Central Committee and the leading comrades at all levels have been paying relatively great attention to this problem. Moreover, the experiences in arranging jobs over the past 2 years have provided some useful lessons. These help us to acquire a good basis for solving the problem.

To sum up, our basic assessment of this problem is that, first, the problem is less serious than in 1979 and 1980, and second, conditions are favorable to solving the problem. Of course, these two points merely mean that it is possible to solve the labor employment problem without many setbacks. To turn this possibility into an actuality, we must overcome many difficulties and do a great deal of arduous and painstaking work. We must realize that the enterprises are at present generally faced with the problem of being overstaffed with redundant personnel. Therefore, the simplistic methods of accommodating workers waiting to be assigned jobs, such as "assigning tasks to people to fulfill at home," which were practiced over the past 2 years, are no longer practicable. We must seek a new way of satisfactorily arranging jobs for workers. This is naturally a very arduous task.

#### To Solve the Labor Employment Problem During the Period of Readjustment, We Must Bring the Effects of Reform Into Play

One reason that our country's labor employment problem has developed into its present form is that there are defects in the labor system. Over many years we have managed our labor forces too rigidly. The state has assumed sole responsibility for allocating jobs to urban workers. The enterprises have had no power to decide on the employment of labor. It is impossible for workers waiting to be assigned jobs to choose the jobs they like. Consequently, workers waiting to be assigned jobs rely completely on the state. They only care about getting an "absolutely secure job" and completely lose the initiative to find jobs themselves. As a result, many employment opportunities have been missed and the work of arranging jobs for workers is completely devoid of vitality. Over the past 2 years, we have realized these defects in the labor management system and have carried out some reforms. However, the situation has not changed appreciably and the effects have been small. Obviously, it is inadequate to merely work at readjustment, and we must devote our efforts to making reforms. Moreover, if not guaranteed by reforms, certain readjustment measures concerning labor employment will not easily produce the desired results. For example, the policy of increasing employment by readjusting the structure of the ownership system cannot be divorced from the reform of the labor management system.

In addition, if we are to solve the employment problem, we must not limit our vision to the current situation alone, but must extend our vision to the more distant future and consider the problem strategically. This requires us to firmly grasp the reform of the labor management problem during the period of readjustment so as to lay a good foundation and create favorable conditions for solving the labor employment problem after the period of readjustment.

Then, specifically, what reforms of the labor system are necessary and feasible during the period of readjustment? We have preliminarily considered the following three reforms:

(1) Reform of the system of recruiting workers.

We should put an end to the old policy for workers waiting to be assigned jobs by which the state assumed sole responsibility for their employment. We should eliminate the idea of simply relying on the state and going after "absolutely secure jobs," and let the urban collective economies and individual economies try their best to employ workers who are waiting to be assigned jobs. Personnel who are under the scheme of unified allocation by the state, such as graduates of universities, secondary technical schools and other technical institutions, as well as ex-servicemen and armymen transferred to civilian work, should all be examined for proficiency. They should be selected by the enterprises for employment on the basis of their degree of proficiency and according to the needs of production. We should gradually arrive at a stage in which they are no longer allocated in a unified way by personnel or labor departments. Ex-servicemen and armymen to be transferred to civilian work who do not possess any special technical skills should first be given professional training and then examined for proficiency before employment.

(2) Reform of the system of work hours.

Various trades and industries should practice various kinds of flexible work hour systems according to their own characteristics and the composition of their staffs, as well as under the prerequisite of increasing production and improving efficiency. The work hour systems may vary with the locality, the industry, the type of production work, and even the circumstances of the individual worker. For example, a part-time work system of 4 or 6 hours a day, or 3 days a week, may apply to women who need to do housework, or to ill or handicapped workers, depending on the circumstances of production and work. Such flexible work hour systems will be advantageous to increasing employment. In addition, because at present there are too many workers, we propose applying an annual leave system to workers who do not have holidays so that they can visit family members.

(3) Reform in the system of training.

When we readjust the secondary education system and increase the number of vocational schools, we must simultaneously try our best to mobilize social forces to provide professional training for urban youths who are waiting to be assigned jobs. Those who complete their training and pass the requisite examinations should be awarded certificates. Their qualifications should be acknowledged,

and they should be encouraged to organize collective production on their own or run individual economies. They may also be assessed and employed by enterprises under the system of collective ownership or the system of ownership by the whole people. Examination results may be taken as one of the main criteria for assigning jobs and determining a worker's rank.

Our country's existing labor management system has been formed over a long period of 20 to 30 years. An overall and radical reform of this system cannot be achieved overnight. There will be many difficulties and obstacles in the reform. However, we must take the first step in the reform during the period of readjustment. This will not only be advantageous to solving the labor employment problem during the period of readjustment, but will also help us to find a way for making an overall reform of the labor management system in the future, as well as help create favorable conditions for radically solving the labor employment problem.

#### **Correctly Handle the Relationship Between Raising Labor Productivity and Increasing Employment During the Period of Readjustment**

Our country has had successful experiences in handling the relationship between raising labor productivity and increasing employment. Marked successes were achieved during the first 5-year plan period. At that time, jobs were arranged for 15 million people, so that the total number of workers increased by nearly 100 percent, and moreover, labor productivity was raised by 52.1 percent. We successfully paid attention to both increasing employment and raising labor productivity. However, for many years afterward, we did not satisfactorily handle the relationship between the two. Over the past 2 years, because we have been eager to solve the urgent labor employment problem, we have to a large extent neglected the raising of labor productivity, so that labor productivity has risen slowly and in many localities has even dropped. It would appear that there is nothing harmful at present in increasing employment at the expense of raising labor productivity. However, in the long run, labor productivity will not grow steadily and relatively quickly, and if this situation lasts for a long time, our country's economic development will be hindered, our country's material foundation will be weakened, and the increase in employment will ultimately be affected adversely. Therefore, the practice of increasing employment at the expense of raising labor productivity is harmful to our future economic development and to the long-term solution of the employment problem. Such a practice is undesirable.

Can we then give due consideration at present to both increasing employment and raising labor productivity? We think this is possible. The key problem is to correctly resolve the questions of orientation and method in arranging employment. Let us analyze the situation in arranging jobs over the past 2 years. Concerning the orientation in arranging jobs, we did not try our best to open new employment opportunities, but mainly relied on assigning workers to existing enterprises. A substantially large proportion of the workers was sent to work in the sector of material production. As for the method of arranging jobs, we mainly adopted the old method of having the state undertake the whole task, dividing up quotas contained in targets, and having unified

undertaking of the whole job and unified allocation. We have used the method of "systematic undertaking of the whole task" and "the whole people running the collectives" (without transferring responsibilities to separate units) to thrust large numbers of workers into enterprises, which have even been forced to accept some people who have lost their working ability. Consequently, some enterprises have become overcrowded with workers. It has been impossible for them to practice normal enterprise management, implement fixed quotas on the number of workers, improve labor organization or fully bring the workers' productive potential into play. The enterprises have achieved poor results in production and management, and, of course, raising labor productivity has been out of the question. Of course, when we analyze this question, we should take historical conditions into account. At that time, the number of workers waiting to be assigned jobs was very large and the problem had to be solved in a short time. We were thus forced to adopt a method of arranging jobs for workers in the fashion of cutting a gordian knot. However, if we still stick to the old ways in solving the labor employment problem, then not only will economic development be affected, but the requirement for improving economic results will be harmed. Thus, we need to seek a new method which will enable us to give due consideration, as far as possible, to both raising labor productivity and increasing employment. In view of this principle, we think that, with regard to the orientation in arranging jobs, we should, as far as possible, direct the labor force to join the sector of nonmaterial production.

Our sector of nonmaterial production is roughly equivalent to what is called the sector of tertiary production in other countries. It mainly includes commerce, service trades, transportation and communications, postal services and telecommunications, warehousing, finance, insurance, education and medical services, scientific research and so on. For many years, because of the influences of the leftist trends of thought, namely, "attaching importance to production of goods and ignoring service businesses," tertiary production has not had its due development in our country, and its scale is incompatible with the level of our country's productive forces at the present stage. It has become a weak link in our national economy, and there is an urgent need to vigorously develop this sector in our economic readjustment. There will be many advantages in assigning workers to the sector of nonmaterial production.

First, this will be conducive to raising labor productivity. With the development of tertiary production, the enterprises will be able to simplify their organization and administration and create the requisite conditions for implementing fixed quotas on the number of workers, improving labor organization, implementing various systems of job responsibility in production and achieving the overall improvement of enterprise management, so that labor productivity in the enterprises can be continually enhanced. Developing tertiary production might also help improve services in social life, help us to gradually achieve the socialization of household labor, and thus help free the vast numbers of workers from tedious household work, so that they will be able to devote more energy and time to production and work, and this will be conducive to raising labor productivity throughout society. Moreover, with the progress of science and technology, the educational and scientific research sectors in the tertiary production sector will play an increasingly important role in raising labor

productivity. Developing this sector is an important means to rapidly raise labor productivity.

In addition, assigning workers to the sector of nonmaterial production will be favorable to increasing employment. It should particularly be pointed out that tertiary industries are labor-intensive and are most suitable for women workers. In various EEC countries, women working in tertiary industries generally account for over 60 percent of the total number of employed females. In our country, at present around 60 percent of the workers waiting to be assigned jobs are women. It is considered "extremely difficult" to arrange jobs for them. If tertiary production develops greatly, this problem will become much easier to solve. Most tertiary industries employ manual labor on a small scale. They can appropriately engage in many economic activities. In particular, it is appropriate to adopt the form of collective or individual operation in these industries. Therefore, their development will be favorable to the employment of workers waiting to be assigned jobs by urban collective and individual economies.

With regard to the methods of arranging jobs, we think that during the period of readjustment, the additional personnel needed by the units under the ownership of the whole people should mainly be secured by local or internal reallocation. Those people who must be assigned jobs by the state, such as graduates of universities, secondary technical schools and other institutions, as well as ex-servicemen and arymen to be transferred to civilian work, should also be sent to the enterprises or business units under the ownership of the whole people which are in the tertiary sector. They should not be simply thrust into the industrial enterprises under the ownership of the whole people. The advantages of the methods we propose are: First, a large increase in labor productivity for the industrial enterprises under the ownership of the whole people can be guaranteed. If the labor productivity of such enterprises (in particular the several large-scale or medium-sized key enterprises) is raised, this will be favorable, in the immediate future, to improving economic results, increasing state revenue, and achieving equilibrium in fiscal revenue and expenditure. In the long run, this will help build the "runway" necessary for the "takeoff" of our country's economy after the period of readjustment, and will help provide the material prerequisite for solving the labor employment problem in the future. Second, this will be conducive to eliminating the idea of workers waiting to be assigned jobs simply relying on the state for the solution of the employment problem, so that they will take the initiative to take the path of collective or individual operations. This will have a positive effect on the reform of our country's labor system in the future. It will help us to open more widely the door of collective economy and the door of individual economy. It will not only accelerate the solution of our labor employment problem, but be favorable to readjusting our country's system of ownership. Of course, to achieve this goal, we must also formulate a complete set of policies and measures which facilitate the employment of workers waiting to be assigned jobs by the collective economies and individual economies, including policies, regulations and decrees concerning the raising of funds, the sources of supply of goods, the recruitment of labor, the training of apprentices, pricing, taxation, wages, workers' welfare, social insurance and so on, so that the participation of workers waiting to be assigned jobs in collective and individual economies will be greatly facilitated.

## **HOW SHOULD THE BOURGEOIS TWO-PARTY SYSTEM BE UNDERSTOOD?**

**Beijing RED FLAG** in Chinese No 11, 1 Jun 81 pp 33-37

[Article by Guo Yongxian [6753 3938 2009] and Yan Zhimin [7051 1807 3046]]

**[Text]** In the course of perfecting and carrying forward socialist democracy, a small number of young people have not drawn a demarcation line between proletarian democracy and bourgeois democracy, and, in particular, they have a wrong and vague understanding of the "two-party system" practiced in capitalist countries. In order to better perfect and carry forward socialist democracy, we must carry out an analysis and clarification in a truth-seeking way and in accordance with the fundamental Marxist-Leninist principles.

### **The Bourgeois Nature of the "Two-Party System"**

Is the bourgeois "two-party system" the most democratic system, as some people say? The answer is in fact negative. The bourgeois "two-party system" is a system in which two political parties, both representing the interests of the bourgeoisie, take turns in forming the government and putting into practice the system of class rule. In accordance with the demands of this system, the capitalist countries conduct elections every few years. The political party which gains the majority of votes in the election or to which the elected president belongs will then organize the government and hold political power on behalf of the bourgeoisie. In the meantime, the defeated party will be responsible for checking and supervising the activities of the ruling party. This kind of system, in which two parties take turns in ruling, was created solely to suit the political demands of the bourgeoisie. Since the overthrow of feudal rule, all bourgeois classes and groups have carried out acute struggles for the sake of holding political power. The bourgeois "two-party system" is the product of mutual struggles and mutual compromises among various bourgeois forces. In the early development of capitalist society, the "two-party system" mainly reflected the contradiction between the bourgeoisie and the landlords and noblemen. Before the mid-19th century, the struggle in England between the Whigs and the Tories, and the struggle in the United States between the Republican Party and the Democratic Party during the Civil War period, were of the same nature. By the end of the 19th century, in the wake of the rapid development of capitalism, the landlords and noblemen gradually became the bourgeoisie, and the "two-party system" simultaneously moved into the second stage. At that time, the system did

not primarily reflect the contradiction between the landlords and noblemen and the liberal bourgeoisie but rather the rivalries and interactions among the various bourgeois groups. The relationship between the Conservative Party and the Liberal Party in England and the relationship between the Democratic Party and the Republican Party in the United States since the 1860's reflected this trend. At the beginning of the 20th century, and particularly after World War I, the bourgeois "two-party system" moved into the third stage because of the deepening crisis of imperialism and the rapid development of the workers' movement. Besides, in England and many other West European countries and in a small number of other countries, the liberal bourgeois workers' party had gained ground and had become one of the two political parties, both of which were originally bourgeois parties, ruling the country in turn with the remaining bourgeois political party. In England, the political power was originally in the hands of the Conservative Party and the Liberal Party. However, at the turn of the 20th century, the position of the Liberal Party was on a sharp decline and the position of the Labor Party was rapidly consolidated. Consequently, a new political situation resulted in which the Conservative Party and the Labor Party took turns in ruling the country. In the meantime, the social democratic party had also gained ground in many other countries and in many cases, the communist party was allowed to take part in elections. This shows that, facing a powerful working class, the bourgeoisie had no choice but to supplement and elaborate on the two-party system with the aim of strengthening its duplicity and complexity.

We must not be fooled by certain phenomena of the bourgeois "two-party system" but must realize its bourgeois nature through understanding its democratic forms.

Like the entire bourgeois democratic system, the "two-party system" represents the democracy of the exploiters, who account for only a very small portion of the population. As Lenin said: "Bourgeois democracy always remains, and under capitalism it cannot but remain, restricted, truncated, false and hypocritical, a paradise for the rich and a snare and a deception for the exploited, for the poor." ("Selected Works of Lenin," Vol 3, p 630) Bourgeois dictatorship is always practiced in capitalist countries regardless of which party is in power. Regardless of how exciting the atmosphere of the elections between the two parties, a bourgeois cabinet will be formed and the same bourgeois policies will be followed. Under this kind of democratic system, the broad masses of working people are discriminated against and the only democratic right they are entitled to is to cast a vote every few years during the elections between the two parties so as to decide which bourgeois political party and people will assume the reins of government to rule over them. The bourgeois "two-party system" can never keep the working masses secure from exploitation, suppression and slavery. Even in the most advanced bourgeois democratic republican countries, the people will never become masters of the country after being slaves. Only if we completely abolish the "two-party system" and the entire bourgeois democratic system and replace them with a proletarian democracy in which the people can be the masters can we bring about a fundamental change in the people's status.

The "two-party system" is a tool with which the bourgeoisie deceives and paralyzes the working masses. The bourgeoisie is always preserving its rule by means of adopting violent suppression and methods of paralyzing and deceiving the people in turn, and the "two-party system" is one of the most efficient methods practiced for a long period of time to deceive the people. The bourgeoisie diverts the working people's attention by means of conducting competitions between the two parties and changing certain specific bourgeois policies, making the working people forget their own fundamental interests. In addition, the bourgeoisie also eases the people's discontent by changing the ruling party. When the rule of a bourgeois political party is about to collapse, the other bourgeois political party will promptly replace it, with the aim of diverting the people's attention and hopes to the new policies to be adopted by the new government and not giving them the chance or the time to doubt and overthrow the capitalist system. Marx said that the "two-party system" is the two hands of the bourgeoisie used alternately to safeguard its own rule. Lenin also, in commenting on the two-party elections in the United States, acutely pointed out: The people have been deceived and diverted from their vital interests by means of spectacular and meaningless duels between the two bourgeois parties. ("Collected Works of Lenin," Vol 18, p 397)

At the same time, the "two-party system" is also a way for the bourgeoisie to harmonize its internal relations. The "two-party system" on the one hand reflects the struggle among various monopoly groups for the right to hold political power. On the other hand, it is an efficient way for these groups to restrict and exercise supervision over each other. Through practicing the "two-party system," the bourgeoisie can check individual groups and features and prevent them from exclusively dominating political power. At the same time, the practice of this system makes it possible for the bourgeoisie to supervise the government, insuring that the government is not working for the interests of only one group but is looking after the interests of other groups as well. The interests of all monopoly groups have been harmonized and the interests of the entire bourgeoisie have been safeguarded in the course of rivalries and mutual restrictions between the two parties.

The "two-party system" is merely a way for the bourgeoisie to harmonize relations and push through its domination. In addition, there are other political systems in various countries. For example, the political system in Japan represents one in which one bourgeois ruling party continuously rules, and the one in France represents another kind in which several bourgeois political parties take turns in ruling. Besides this, the system in which several political parties jointly rule has appeared in West Germany, Italy and other countries. This shows that the "two-party system" is not a common democratic form practiced by capitalist countries and is thus not an indication of democracy. Whether the bourgeoisie is to adopt the "two-party system" or to implement the system in which a single party or several parties hold political power is determined by the specific historical conditions of the countries themselves. It depends on the ratio between the internal strength of the bourgeoisie and the bourgeoisie's need for political domination. However, its nature is always bourgeois democracy and domination over the working masses. We cannot simply generalize and call all countries that practice the "two-party

"system" democratic countries and the others nondemocratic. If the situation of practicing the "two-party system" is like this in capitalist countries, on what grounds can we use it as a basis for judging our socialist democracy?

### Why Cannot Our Country Practice the System in Which "Two Parties Take Turns in Ruling"?

Some people propose that our country should imitate the Western capitalist countries and practice the system in which two parties compete and take turns in ruling. It seems that only by doing this can we bring about democracy.

People holding this view have perhaps forgotten that, regardless of the type of democratic system, including the political party system, there is a superstructure which is always determined by the economic base of a given society and which simultaneously serves the same economic base. Is it possible for us to draw lessons from certain forms and methods of the bourgeois democratic system in the Western countries? The answer is certainly positive. However, we should not indiscriminately make use of things which reflect the nature of the capitalist society and the interests of the bourgeoisie.

The bourgeois practice of the "two-party system" or "multiparty system" is a product of the capitalist system. The economic basis of capitalism is the system of the ownership of the means of production by the capitalists. Although the bourgeoisie enjoys common interests in suppressing the proletariat, among the capitalists and the monopoly groups themselves there are always conflicts and acute antagonisms because of the system of private ownership of the means of production and because of keen competition. In the capitalist countries, the life-and-death economic struggles carried out by various big monopoly groups for excessive profits reflect the unavoidable acute political struggles among them. Each of the monopoly groups organizes an independent political party to speak on behalf of its own interests and dominates the government and the parliament through holding elections and forming a cabinet. These parties make use of the state power in their hands to extensively develop the private interests of the monopoly groups. In light of this, we see that the bourgeois "two-party system" and "multiparty system" both serve the economic and political system of the bourgeoisie and are both manifestations of capitalist struggles in politics.

The socialist and capitalist economic and political systems are basically different. Socialism is established on the basis of the system of public ownership of the means of production. As far as interests are concerned, there are no fundamental conflicts between the workers and the people. Their relationship is based on mutual aid among fellow comrades, and there is no need to divide up into two antagonistic groups and carry out struggles against each other for the sake of gaining political power. Harmonizing the socialist system of public ownership with the interests of the people naturally requires the establishment of a unified leadership core to unite all people throughout the country, push forward socialist production, develop the national economy in a planned and proportional way, and effectively practice proletarian dictatorship. The unified leadership of the Communist Party is formed to suit this

objective requirement of socialist economic and political development and is absolutely not the result of forcing subjective opinions on others. Therefore, proceeding from safeguarding the socialist system of public ownership and proceeding from the greatest interest of uniting all people in the country, we have no grounds for imitating the Western bourgeois countries in promoting the system in which more than one party takes turns in ruling.

To promote the system in which two parties take turns in ruling in socialist countries is in fact deviating from the class nature of the working class and the interests of the socialist cause. More than a century ago, Marx and Engels pointed out: In the initial stage of the workers' movement during which the workers carried out spontaneous struggles, owing to competition among the workers themselves, the cause of organizing the proletarians into a class and into a political party is often sabotaged. The two revolutionary teachers here revealed an important truth: When competition between groups exists, the working class will not struggle for the liberation of the entire class. Only when the workers are united as one class will there be a genuine proletarian revolutionary movement. Whether the proletarians are competing against each other or are united as one class and organized into one political party is the fundamental way to distinguish between the spontaneous workers' movement and the conscious workers' movement. The proletarians' strength lies in their unity. The unity of the proletariat and its unity with the revolutionary masses serve as the fundamental guarantee for the revolutionary cause to win victory. Since the proletariat owns nothing, it can only rely on the unified leadership of the communist party and the strength of unity in order to win over the bourgeoisie and win victory in the socialist revolution.

The proletariat faces tougher and greater tasks under socialist conditions. In addition to developing the productive forces and transforming the small-peasant economy, it must eliminate exploitation, eliminate classes, eliminate the three major distinctions (between town and country, industry and agriculture, physical and mental labor) and realize the great ideals of communism. Thus, it is necessary for us to "unite all sincere communists to form a single party," exert unified leadership over the socialist cause and accomplish a great unity of the working class and the masses throughout the country. ("Collected Works of Lenin," Vol 31, p 87) If, in accordance with certain proposals, we model our socialist country on capitalist ones, establish two or more "proletarian" political parties which respectively represent different portions of the population and which struggle against each other for political power, and artificially divide up the working class, which has unanimous interests, into the party in power and the opposition party, we would definitely cause the workers' movement to regress and make room for rivalries. By doing this, we would also sabotage the unity of the workers and the broad masses of people throughout the country, shake the proletarian dictatorship and even forfeit our achievements in practicing socialism.

The history of the past 30 years and more since the founding of the state has proved that the system in which there is more than one ruling party does not work in our country. As early as in 1957, the proposal put forward by certain people that the Democratic Party and the CCP should "take turns being the

"dealer" promptly encountered opposition from the people. The reason for this was that the Chinese people had already stepped onto the socialist road and were determined to proceed in this direction under the leadership of the Communist Party, which is a proletarian political party. The class nature of the Democratic Party had clearly shown that it was unable to lead the people along the socialist road. The leading position of the CCP was reinforced through the democratic revolution and the socialist revolution and was simultaneously the result of the party members' heroic struggles for the people. Thus, the broad masses of people would absolutely object to any idea of artificially changing this situation. The concept of dividing up the proletarian political party of the masses into two political parties and two factions and then implementing the system in which the two factions or two parties take turns in ruling is extremely fallacious. Although nobody dared encourage this idea in the past, the Lin Biao and Jiang Qing counterrevolutionary cliques pushed this concept forward in a modified way during the 10 years of upheaval. Because of their provocations and support, many areas and units were divided into two antagonistic factions both inside and outside the party and waged acute struggles for "usurping" and "holding power." Such struggles were gradually intensified and the situation became irreconcilable, leading to a civil war and bringing the whole country to the brink of splitting up and disintegrating. Based on what happened during the 10 years of upheaval, people have profoundly realized the utmost importance of unity of the party and the masses and have profoundly understood the dangers of promoting two-party struggles and competition for power. First, it would lead to a split in the party and among the people, creating nationwide split and upheaval; second, instead of representing the proletariat and the interests of the people, our party would disintegrate into several factions which represented the interests of certain portions of the population. It would neither sufficiently safeguard the people's democratic rights nor effectively practice dictatorship over any class enemy. Third, the whole party and the people would be involved in endless factional contentions and struggles, thus sabotaging stability and unity and affecting economic construction. The factional struggles during the 10 years of upheaval were provoked entirely by the Lin Biao and Jiang Qing counterrevolutionary cliques and were also used by them as a means to usurp party power. They inflicted serious wounds on our party and country. But today some people have forgotten this lesson and have proposed implementing the system in which two parties take turns in ruling. It is not difficult for us to imagine the results of this. How can the people endure disintegration and upheaval once again?

#### Dissecting Several Wrong Viewpoints

It is still necessary to analyze and clarify several wrong viewpoints as far as the "two-party system" issue is concerned.

Superficially speaking, the viewpoint that "there is no democracy when there is a sole ruling party" seems correct, but in fact it is a very arbitrary assertion. We should know that the existence of democracy is not determined by the number of ruling parties. The key is whether the ruling party is speaking on behalf of the people's interests or not. Since the bourgeois political parties do not represent the people, they do not guarantee democracy for the laboring masses.

regardless of whether they are promoting a one-party or a multiparty system. The Communist Party is the representative of the interests of the working class and the laboring masses. To the reactionary forces, the rule of the Communist Party is really "...democratic," but there is genuine democracy for the laboring masses and patriotic members under the leadership of the party. Since its founding, our party has considered the striving for the democratic rights of the majority of the people one of its important tasks. It is impossible to establish a people's democratic regime without the leadership of the CCP; basically there would not be democracy for the laboring masses. Over the past 30 years and more since the founding of the state, and under the leadership of the party, we have carried out certain great democratic reforms, and political democratization has vigorously developed, particularly since the 3d Plenary Session of the 11th CCP Central Committee. Thus, how can we say that party leadership has ruled out democracy? Certainly, our country's socialist system of democracy is still imperfect and has flaws. The fundamental reason for this is that feudalism dominated China for a long period of time and its pernicious influence is deep-rooted. Besides, our economic and cultural developments are backward. How can we put all the blame on the party leadership without making a thorough analysis of factors? In the past, certain undemocratic incidents really did happen in our country. However, whether they occurred inside or outside the party, the main factor accounting for them was abnormal inner-party democratic life. It had nothing to do with the so-called "sole ruling party" system, and we cannot draw the conclusion from this that "there will be no democracy when there is a sole ruling party."

"It is difficult for a sole ruling party to realize and correct its mistakes." This would be a justifiable remark if we were commenting on the bourgeoisie. Not a single political party of the exploiting class in history has been bold enough or has been able to admit and correct its severe mistakes before the people. However, it is completely wrong to accuse the revolutionary political party of the working class of this fault. The revolutionary political party of the working class is wholeheartedly serving the working class and the broad masses of people. The party enjoys no other privileges than the interests of the working class and the people. It is for this reason that the political party of the working class is able to openly admit its mistakes and boldly correct them. Lenin said: "Frankly admitting a mistake, ascertaining the reasons for it, analyzing the conditions which led to it, and thoroughly discussing the means of correcting it--that is the earmark of a serious party." ("Selected Works of Lenin," Vol 4, p 213) The CCP is such a proletarian political party. The CCP has made mistakes, including certain serious mistakes, both before and after obtaining political power. However it was the CCP itself that exposed and corrected every mistake. During the period of the democratic revolution, our party exposed and corrected the serious mistakes committed when Chen Duxiu and Wang Ming occupied the dominant position in the Central Committee. Since the 1970's, our party has successively exposed, criticized and openly tried the Lin Biao and Jiang Qing counterrevolutionary cliques. In the past few years, our party was bold enough to make known to the people the mistakes it has made and the difficulties it has confronted in its work, and was able to adopt active measures to correct and overcome them. All this serves as ironclad evidence that it is groundless to say that the political party of the working class cannot correct its own mistakes.

"The multiparty system makes rivalries possible." The problem here is whether this kind of competition benefits proletarian dictatorship and socialism. In the Western countries, the bourgeois political parties are continuously carrying out struggles for the sake of dominating the government. Flouting the banner of working for the happiness and prosperity of the country and the people, they are in fact blatantly seeking publicity, deceiving the people and engaging in filthy activities. They are always fighting against each other, trying to cheat or outwit each other, and employing filthy methods such as frame-ups and assassinations to subdue others. In addition, they are always engaged in conspiracy and bargaining to satisfy their own private interests. Bourgeois political scandals are found everywhere, one emerging after another. The socialist countries would be unable to avoid these shortcomings arising from competition among bourgeois political parties if they practiced the "two-party system." We have sufficient grounds to believe that competition among political parties definitely gives rise to cliquism, individualism and factionalism and enables them to further develop into two or more antagonistic political forces in the country. In this way, it would be impossible to totally concentrate the forces of the socialist countries since most of these forces check on and counteract each other. All this would only result in weakening the proletarian dictatorship and dampening the people's enthusiasm for wholeheartedly and attentively promoting construction. Now, when certain bourgeois people in the Western countries begin to doubt the necessity of the system of competition among the bourgeois political parties, why must our socialist country raise this question from the bourgeois political garbage?

"The two parties can exert supervision over each other when they take turns in ruling." Most probably, this opinion is well-intentioned. We not only favor supervision but also stress supervision over the party and the state. Our country also has a multiparty system. However, our party's policy toward the various democratic parties is "long-term coexistence, mutual supervision." In other words, the Communist Party can supervise the various democratic parties and vice versa. We must listen to the suggestions and voices reflected by various sectors which are conducive to our cause. Nevertheless, this kind of supervision must be carried out under the premise of acknowledging the leadership of the CCP and proceeding along the socialist road. Although our party has always been initiating democratic cooperation with the various democratic parties, arranging jobs for some of their members in the government, we are absolutely not promoting the system in which different political parties take turns in ruling. Only if we uphold this practice can we guarantee the proletarian nature of our state's regime, uphold the socialist orientation and safeguard the laboring masses' fundamental interests. Our country is a socialist one in which the people are the masters, and it is mainly the laboring masses and the party members who supervise the work of the Communist Party. Direct supervision by the laboring masses at all levels is a major manifestation of the superiority of the socialist system of democracy. We must rely on supervision by the laboring masses, listen to the masses' criticism and correct mistakes if there are any. This is more democratic and reliable than the mutual supervision among the bourgeois political parties in the capitalist countries in which the people are pushed aside.

The essence of the previous contention over the "two-party system" among a small number of people is to doubt or to shake off the leadership of the CCP. We absolutely cannot adopt a nonchalant attitude toward this significant issue, which is related to the destiny and future of our socialist country. The CCP is armed with Marxism-Leninism-Mao Zedong Thought and is the proletarian vanguard closely related to the masses. Our party's leadership position in the Chinese revolution and the socialist cause has been historically formed in 60 years of struggle and cannot be altered today by any force whatsoever. Without party leadership, we cannot uphold socialism, cannot achieve unity of the people and stability of the state; nor can we accomplish the four modernizations. We must uphold and improve party leadership and absolutely cannot let our confidence in it be shaken. We must educate those youths who have indulged in bourgeois democracy and whose confidence in party leadership has been shaken. Furthermore, we must resolutely criticize all wrong views which are antagonistic to party leadership, eradicate all interferences, clarify right and wrong, correct our ideology, establish firm confidence and build a highly democratic socialist country along the proper path.

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## USE DIALECTICAL MATERIALISM TO GUIDE MOVEMENTS IN THE FIELD OF LITERATURE AND ART

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[Article by Li Zhi [7812 0037]]

[Text] Turning the light yellow pages of the "Selected Works of Zhou Enlai" and studying Comrade Zhou Enlai's exposition and various theories on literature and art, it seems as if the tall figure of this revolutionary and statesman appears before me and his earnest instructions and teachings to literary and artistic workers are still ringing in my ears. Although our beloved Premier Zhou was occupied with a myriad state affairs, he still tried to find time to show concern and support the development of literature and art. He showed concern for the direction and line of literature and art, literary and art creation, the establishment of theater companies, job assignments for writers and artists, and so forth. I was lucky enough to have the opportunity to hear Comrade Zhou Enlai's speeches to literary and art workers and to be present during his cordial conversations with literary and art workers. These moving sights remain fresh in my memory and I will never forget them. Every sentence of Comrade Zhou Enlai's instructions is imprinted in our hearts and they will forever encourage us to march forward.

Comrade Zhou Enlai's exposition and theories on literature and art cannot be summed up in a few words because they contain a wide range of focal points and profound ideas. The thing which impressed me deeply was that he always used dialectical materialism to guide political movements (including movements in the field of literature and art). In May 1959, when the leftist ideological trend and metaphysics were running amuck, Comrade Zhou Enlai published his article "On the Problem of Walking on Two Legs in the Field of Culture and Art," fully expounding on the dialectical relations of 10 basic problems in cultural and art work. He pointed out: "Unity of opposites itself means walking on two legs, which includes organic integration and leading aspects (the principal aspect of a contradiction). This is also our philosophical thinking and main work method." Comrade Zhou Enlai used such philosophical thinking to analyze and solve a series of problems concerning literary and art work.

### Adhering to the Correct Orientation of Literature and Art

Whom should art and literature serve? This is a problem involving the cardinal principle. In his "Talks at the Yanan Forum on Literature and Art," Comrade Mao

Zedong systematically and comprehensively expounded on this subject and pointed out the orientation of revolutionary literature and art. Comrade Zhou Enlai unwaveringly adhered to this literary and art orientation and penetratingly explained and developed it in the light of different times and conditions. During the initial postliberation period, some people thought that since the whole nation had been liberated, the orientation of serving workers, peasants and armymen was no longer applicable. To counter this idea, in his political report delivered at the first national conference of literary and art circles, Comrade Zhou Enlai especially dealt with the problem of serving workers, peasants and armymen and the need to become knowledgeable about them, and stressed the importance of really getting to know workers in light of the new situation following nationwide liberation. During the 3 years when our country encountered economic difficulties, just as in other work, the "leftist" mistakes in literary and art work were corrected and conventions restricting this work were lifted. At this time, some people began to have doubts about certain basic Marxist principles, or even began to waver in their adherence to the orientation of literature and art. While fully expounding democracy in art, he especially devoted a chapter on the question of "for whom?" He said: "The question of 'for whom?' is one of political criterion. All types of literature and art will encounter the question of 'for whom?' Chairman Mao pointed out that literature and art should serve the workers, peasants and armymen. This is our political criterion." He strongly opposed the "five talismans," which fettered the development of literature and art, such as imposing conventions, seizing on someone's shortcomings, analyzing ideological roots, sticking political labels on someone and wielding big sticks. However, he especially stressed that we should have a big framework, pointing out: "Marxism is a framework. We have a big framework and, in general, do not oppose it. We want to reform the whole of society so that it will acquire proletarian qualities. How big this framework is! We want to reform nature, and how big this framework is! The proletarian world outlook is the most scientific and greatest world outlook. Various world outlooks of the past are paltry when compared with it. Only we can reform the whole of society and the world and delineate the future, because we have the greatest framework."

Comrade Zhou Enlai enthusiastically supported and encouraged every achievement and creation of literary and art workers in practice when they used the correct literary and art orientation as a guide. He always criticized and corrected deviations in creative works which ran counter or departed from the literary and art orientation. I still remember that when the second national conference of the literary and art circles was held, he seriously criticized some people who had adopted bureaucratic and rude attitudes toward revolutionary literary and art works, and protected some works whose orientation was correct in spite of their defects. Jiang Qing accused the play "Battle in Leopard Bay" of being "dominated by beggars." Comrade Zhou Enlai fully affirmed the truthfulness of the characters in the play.

The Nei Monggol Autonomous Region organized Red cultural teams to serve the broad masses of herdsmen. Busy as he was, Comrade Zhou Enlai received members of the teams on 12 separate occasions, warmly encouraging them: "I hope you will preserve the incorruptible title of Red cultural teams and spread

revolutionary music and dances throughout the country so as to encourage the people and be prepared against war and natural disasters and do everything for the people." What he said touches our hearts even now. Revolutionary literary and art workers should never be corroded.

We should not depart from the correct literary and art orientation. A small discrepancy leads to a great error. Once we depart from the orientation, everything will be thrown into confusion. This has been proved by experiences at important junctures in history. However, the road leading toward our goal is broad and the ways of serving the people are numerous. Literary and art creations have bright prospects. As early as in the initial postliberation period, while repeatedly stressing that literature and art should serve workers, peasants and armymen, Comrade Zhou Enlai pointed out: "We maintain that literature and art should serve workers, peasants and armymen. Naturally, this does not mean that literary and art works can only depict workers, peasants and armymen." In his "Talk at the Forum on Literary and Art Work and the Creation of Feature Films" delivered in June 1961, he dealt with the "problem of material production and spiritual production," the "problem of class struggle and united front," the "problem of 'serving whom?'," the "problem of literary and art laws," the "problem of legacy and creation" and the "problem of leadership," fully elaborating on the dialectical relations of these problems. Comrade Zhou Enlai's talk and the "10-point decision on literary and art works" worked out under his support and care (the decision was later turned into the "8-point decision" and authorized for distribution by the central authorities) was a scientific summarization of the experiences gained in literary and art work since the founding of new China.

Just as other work, literary and art work after the founding of new China followed a tortuous course. During the period from 1949, when the first national conference of literature and art circles was held, to 1956, our literature and art developed in a basically healthy way. In 1956, Comrade Mao Zedong summed up the experiences of the communist movement both at home and abroad and expounded the problem of correctly handling contradictions among the people. He also put forth the sole correct policy which promoted science, literature and art: "letting a hundred flowers blossom and a hundred schools of thought contend." A vivid situation occurred in the literary and art field, although some problems also existed. Owing to the fact that the seriousness of these problems was overestimated, the antirightist campaign in 1957 was magnified. In 1958, Comrade Mao Zedong put forth the slogan "Do away with superstitions and emancipate the mind," which should have brought about a new invigorated situation. However, as Comrade Zhou Enlai pointed out: "When the old superstitions were abolished, new ones arose." We jumped from one side to the other. The main reason why the party's orientation, guiding principle and policies on literature and art were not correctly implemented was because of the lack of democracy. In his "Talk," Comrade Zhou Enlai repeatedly and profoundly dealt with the importance of democracy in art and the problem of promoting democracy in art. After the 10 years of the fascist dictatorship over the cultural field, these penetrating remarks touch our hearts more profoundly now after reviewing them.

Comrade Zhou Enlai was our model for promoting democracy in art. He treated literary and art workers as equals and discussed problems with them. Inclining his head, he listened to their suggestions with a smile. He listened patiently to their opinions and encouraged them to speak up, whether their opinions were correct or not, or whether they made sense or not. To express his view about a play, he would see it time and again and talk with the playwrights, directors and actors. He never imposed his views on others. People were free to accept them or not. They were allowed to revise the play or not. Owing to this democratic work style, wide opportunities were provided for the free airing of views and the contention of various artistic styles!

#### Respecting the Law of Socialist Literature and Art

Just like other things, literature and art have their own special characteristics and law of development.

While studying warfare, Comrade Mao Zedong put forth three laws: "law of warfare," "law of revolutionary warfare" and "law of Chinese revolutionary warfare." The law of literature and art can probably be divided into: general law for literature and art, law for revolutionary literature and art, and law for Chinese socialist literature and art.

With regard to the general law of literature and art, Comrade Zhou Enlai pointed out: "Literature and art are a kind of spiritual production and are products of people's minds. They are complicated and it is very hard to master them." He added: "It is characteristic of literature and art to reflect life through images and thought." Therefore, we should not treat spiritual production as if it were material production. He particularly criticized the wrong practice taken during the period of the "Great Leap Forward," such as concentrating on quantity alone and forcing writers to fulfill quotas. He said: "We have considerably increased the quantity of literary and artistic works, but the quality is not high," "quantity and quality dialectically develop and quantity always surpasses quality. The number of good works is always limited. Now literary and artistic works of high quality are very few in number."

Literature and art have been developing in accordance with objective law since they were created in mankind's history. With the advance of our times, the law of literature and art is also changing. Socialist art and literature are the literature and art of the new times. It is still a new issue to study in order to understand and master the law of the development of literature and art in the new times.

Socialism is a brand-new social system unprecedented in the history of mankind. It demands that its ideology be extensively propagated. Therefore, the unity between the distinctive and conscious political programs and increasingly improved artistic forms are the basic characteristics of socialist literature and art. Stalin concluded: "The proletarian content and national artistic forms--all these are the culture of the whole mankind to be acquired by socialism." In his "Talks at the Yanan Forum on Literature and Art," Comrade Mao Zedong said: "A common characteristic of the literature and art of all

exploiting classes in their period of decline is the contradiction between their reactionary political content and their artistic form." A common characteristic of the revolutionary literature and art is the "unity of politics and art, the unity of content and form, the unity of revolutionary political content and the highest possible perfection of artistic form." (Of course, in their embryonic stage, the literature and art of the newly emerging classes were also characterized by the contradiction between their political content and artistic form. They were entirely different from and should not be confused with the bourgeois literature and art in the period of decline.) Comrade Mao Zedong pointed out: "We oppose both the tendency to produce works of art with a wrong political viewpoint and the tendency toward the 'poster and slogan style,' which is correct in political viewpoint but lacking in artistic power." Comrade Mao Zedong made a clean break with various tendencies of formalism and pragmatism as well as the viewpoint of vulgar sociology.

With regard to the problem of literature and art, Comrade Zhou Enlai always carried out the struggle between the two lines and opposed the two tendencies. In his speeches, he always dwelt on the dialectical relations between politics and art as well as ideological content and artistic style. He exhorted people not to view the characteristic of literature and art and the law of development in a lopsided way. As early as in 1952, when the "first national performance of traditional operas" was held, he pointed out: "There should be an artistic form in propaganda. Otherwise, we will not be able to achieve a good result, no matter how strong the political content is." He added: "First of all, works of art develop contradictions but unity later follows. In the meantime, the beauty of art is needed. If the artistic images are bad, people will never appreciate them, no matter how good the political content is." He said again: "If you fail to follow this law, you will separate yourselves from the masses." In addition, Comrade Zhou Enlai repeatedly stressed the trend of the times, the class nature, and the militancy of the socialist literature and art. He pointed out that the creation of literature and art "should be in accord with the law of historical development and the background of times." He called on writers to "reflect the spirit of our times." He said: "Now, it is more important to sing the praise of contemporary works of art." It is against the law of socialist literature and art to take literature as a mouthpiece of political propaganda or to seek artistic form alone. While correcting the tendency of paying attention to political content alone at the expense of artistic form, we should also oppose the trend of formalism which denies politics, ignores ideological content and attaches importance to artistic form alone.

In his "Talks at the Yanan Forum on Literature and Art," Comrade Mao Zedong cited examples to criticize certain tendencies toward breaking away from class and the times, and the abstract ideas that the "fundamental point of departure for literature and art is love," that "literary and art works have always laid equal stress on the bright and the dark, half and half," that "the task of literature and art is to expose," the "theory of human nature" and so forth. His criticism was of great significance in clearing up the muddled ideas in the revolutionary literary and art ranks of that time. However, some problems were later dealt with in an absolute way, such as the negation of the existence of human nature and the role of realistic criticism and so forth. To counter the

new tendency, Comrade Zhou Enlai made a dialectical exposition. He said: "The 'theory of human nature,' 'love of humanity,' 'humanitarianism' and 'utilitarianism' are all confused. Chairman Mao already answered these questions at the Yanan forum on literature and art. We do not oppose utilitarianism in general. We favor proletarian utilitarianism, human nature, fraternal love and humanitarianism. The present practice is not based on proletarian stand and class analysis, but on idealism." Today, some people still have confused ideas when they study these problems. It is beneficial to review these remarks.

Since the successive publication of Comrade Zhou Enlai's works and articles on literature and art, a number of articles have further explored the law of socialist literature and art, and stressed the importance of respecting the law of literature and art in accordance with Comrade Zhou Enlai's exposition. However, certain lopsided views can be found in some articles which maintain that the law of socialist literature and art is the same as that of literature and art for all times and for all classes. They simply regard certain artistic techniques as the law of literature and art. All these are not in accord with Comrade Zhou Enlai's teachings.

#### Extensively Uniting With Writers and Artists

Comrade Zhou Enlai made a great contribution to the unity and education of the literary and art ranks in our country. He not only led and organized our literary and art ranks, but also personally trained our literary and art workers. A number of famous writers and artists grew up under his assistance and guidance. In his political report delivered at the first national conference on literary and art circles, he regarded the problem of unity as a matter of primary importance in the literary and art field. Under his personal leadership, this conference became one of unity, and its success is a historical fact.

To unite with the literary and art workers, we should, first of all, get close to them and understand them. Comrade Zhou Enlai did an inspiring job in this respect. Although he was busily involved in the state affairs, he used every opportunity to get close to and understand literary and art workers. He attended meetings, watched performances, personally received and visited writers and artists and invited them as guests to family gatherings. As far as I know, whenever meetings of literary and art circles were held in Beijing, Comrade Zhou Enlai always called on the delegates at their meeting places. He always showed solicitude and took good care of literary and art workers whether they were old or young, professional or amateur and famous or unknown. He never had any prejudice against them regardless of their social rank. The fact that such a great statesman formed such a very close tie with literary and art workers has been rarely seen in history. Leading comrades who are in charge of literary and art work should learn from his work style.

While showing solicitude for literary and art workers, Comrade Zhou Enlai also set high demands on them. He hoped that literary and art workers would incessantly reform themselves under the leadership of the party. In his speech delivered at the second national conference of literary and art circles held in 1953, he pointed out: "We should incessantly remodel ourselves in the mighty

furnace of the socialist reform whether we are new or old and elder or younger." He encouraged us, believing that one is never too old to study and to reform oneself. He said: "Everyone should reform himself. Those who came from the old society or grew up in the new society should also reform themselves." He added: "In particular, literary and art workers are the engineers of the soul. To encourage audiences to appreciate artistic works so that they will be inspired and fight bravely, literary and art workers should master the best ideological weapons and artistic tools." He stressed that there were various ways for literary and art workers to reform themselves: first, reform through learning Marxism and Leninism and immersing themselves with workers and peasants; second, reform through artistic practice; third, reform through the comparison and competition of literary and art creation. He opposed the practice of interpreting ideological reform in a narrow and lopsided way.

Comrade Mao Zedong repeatedly told us: "The remolding of the intellectuals, and especially the changing of their world outlook, is a process that requires a long period of time. Our comrades must understand that ideological remolding involves long-term, patient and painstaking work, and they must not attempt to change people's ideology, which has been shaped over decades, by giving a few lectures or by holding a few meetings." Comrade Zhou Enlai followed Comrade Mao Zedong's instructions in an exemplary way. His earnest advice and systematic guidance have been engraved in the memories of literary and artistic workers. To help certain representative figures in the literature and art circles to change their erroneous viewpoints, he personally convened meetings and talked with them privately and raised their consciousness. To help certain writers to immerse themselves in workers and peasants, he personally made specific arrangements. He often had heart-to-heart talks with literary and art workers and solved their ideological problems with painstaking care so that they cast off their mental burdens and took part in the struggle free of care. The broad masses of literary and art workers incessantly raised their ideological and artistic levels and scored new success because of Comrade Zhou Enlai's enthusiastic care and strict demand. Owing to the kind help of Comrade Zhou Enlai, a number of writers and artists became communists. He was a sponsor for Comrade Cheng Yanqiu's party membership. In "A Letter to Comrade Cheng Yanqiu," he wrote: "If his application for the party membership is approved by the party organization, he will set a higher demand on himself. I told him that during the time after he is admitted as a probationary party member, he should study hard, actively take part in the collective activities, immerse himself with the laboring masses, continue to overcome the ideological and work style of individualism and enthusiastically pass on and spread his artistic achievements so that he will raise his class consciousness and carry forward the spirit of serving the laboring people." Comrade Zhou Enlai's hope for Comrade Cheng Yanqiu was also his hope for the broad masses of literary and art workers. To learn from Comrade Zhou Enlai, we should learn from his great revolutionary spirit.

After the smashing of the "gang of four," the convening of the 3d Plenary Session of the 11th CCP Central Committee in particular, literary and art work has scored encouraging achievements just as other work has done. However, some problems still exist. Some problems are unavoidable when we are making explorations on

the road of advance. Some problems which had been solved have occurred again. We should use Marxism as our guide and dialectical materialism as our weapon to soberly analyze the situation by adopting the method of dividing one into two. If we hold metaphysical and lopsided viewpoints, we will slide from one extreme to another and vacillate. By so doing, it will be difficult for us to overcome our shortcomings and keep on marching.

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## HOW ARE WE TO AVOID DUPLICATE CONSTRUCTION?

Beijing RED FLAG in Chinese No 11, 1 Jun 81 pp 42-43

[Article by Yu Shoufa (0080 1343 3127) in "Question and Answer" column]

[Text] The so-called duplicate construction denotes mainly two cases: 1) Considered from the scope of the whole country, or of a division, sector or region, we find that blind investment in construction of new enterprises or expansion of established ones is being continued whereas in those existing enterprises of the same sort, the production capacity has not yet been fully exploited due to shortages of raw materials, fuel, and energy or to the fact that their products are not marketable. 2) If some individual construction projects are considered, we can find some unreasonable practices. In fact, public auxiliary facilities necessary for production such as water supply, electricity, heat supply, mechanical maintenance, communications and transportation, and productive projects such as the manufacture of some spare parts, can all be solved by organizing coordination between local and nearby specialized departments. However, every enterprise wants to set up its own independent system, to promote "large and complete" or "small and complete."

From the macroeconomic viewpoint, duplicate construction is nothing other than redundant construction. Our country is a country with a large area, a big population and a vast market. Therefore, in order to reasonably allocate productivity, fully make use of the abundant resources in various regions, give full play to the economic and technological strongpoints of various regions, and promptly satisfy the needs of economic construction, of the people's livelihood and national defense, it is impracticable and inconceivable to construct just one or only several enterprises of each type. To do so will on the one hand complicate the allocation and transportation of raw materials and finished products, which is economically irrational, and on the other, the needs of production, construction and the people's livelihood in different regions will not be satisfied. Take a production enterprise for example. If we only take care of the principal part of a project and forget all those necessary public auxiliary facilities, the comprehensive productivity will never function and regional construction will not be able to be carried out either, since the production chain will not have been completed. But, that does not mean to say that there can be duplicate construction of plants and construction of the whole production chain of a project, regardless of the macroeconomic effects.

In the last few years, under the guidance of national planning, by fully making use of local resources and economic and technological predominance, and acting in accordance with local circumstances, in many regions a lot of small sugar mills, small cement plants, small light industrial plants, small hydroelectric power stations which are necessary for the national economy and the people's livelihood, and a number of commune and brigade run industrial enterprises which serve agriculture have been built. The emergence of these plants with different characteristics has played an active role in developing social productivity, in increasing the income of the regional and collective economy, and in activating the town and country economy. However, on the one hand, the state government did not give concrete instructions concerning economic regional planning and long and medium term planning; on the other, the administration did not catch up with the restructuring of economic administrative systems. Moreover, failing to understand thoroughly the guideline of "promoting merits, getting rid of shortcomings and giving full play to predominance," considering only the needs of their own region and department and being too eager to make money, some regions, communes and brigades have blindly established some production enterprises which are not needed if one takes into account the overall situation. All these practices have brought about a great waste of manpower, money and material resources, worsened the imbalance between economic sectors, and thus added new difficulties to the readjustment of the national economy.

For example, at present there is excessive productivity in the existing textile industry throughout the country, and the production quotas are not sufficient to keep some large plants operating at full capacity. Nevertheless, a lot of cotton producing regions, communes and brigades are still looking for old fashioned textile equipment that has been disposed of by old plants and are constructing a great number of medium and small cotton mills with them. For this reason, they even unilaterally cut off the established cooperative relationship with other textile enterprises, retain cotton which should be exported to the latter according to the plan, or just supply them with materials of inferior quality and keep the superior stuff for themselves. Giving undue emphasis to "the predominance" based on the fact that the raw materials are produced locally, some areas producing raw materials for the light and chemical industries have blindly built small cigarette plants, small distilleries, small paper plants, small reeling mills, small soap plants, small dyestuff plants and small paint plants. While old and large plants cannot operate to their full capacity because of shortage of raw materials, new and small plants are being promoted which compete with the former for raw materials. With old equipment and backward technology, they turn out inferior products at the expense of high consumption of raw materials. Moreover, some of them even seriously pollute the environment. Despite the national unified planning for exploiting mines, some local enterprises have excavated around or even within the boundaries of large existing mines run by the state. This has not only affected the regular production of the existing mines, but also destroyed and caused great waste of natural resources.

Duplicate construction also exists in large industrial enterprises and big projects. While planning and designing projects, some departments, regions and units in preparation insist on setting up a fully independent system as they

Always keep in mind their own convenience. They want to construct everything, the more comprehensive the better. Either it concerns the construction of integrated enterprises on a large scale with different varieties and multiple processes, or enterprises on a smaller scale, of a single variety and with simple processes; either industrial mining regions that are a long way away from towns, or enterprises constructed in the same city, people are always interested in constructing "plants capable of everything" and "all-round plants" as they need not ask anyone for anything. From the very beginning of construction, a lot of new units intend to form a complete set for everything. They build not only a closed water, electricity and communication network of their own, but also mechanical maintenance and auxiliary facilities of their own. Even two neighboring machine building plants would separately set up their own casting and forging shop, electroplating shop, spare part making shop and mechanical maintenance shop. "They never contact each other though they can hear the sound of machinery from each other's workshops." With a complete set of nonproductive facilities, every plant becomes an independent "community." Waste caused from promoting "large and complete" and "small and complete" duplicate construction is quite obvious; to construct enterprises as such, it takes more investment, more land, more labor and more time; for production, it needs comprehensive operation which is too complicated and tedious to improve specialized techniques; for the utilization of equipment and production capacity, it causes a great deal of idleness and waste.

How are we to avoid duplicate construction? First of all, we must properly deal with the relationship between the part and whole in the spirit of "coordinating all the activities of the nation like pieces in a chess game." At present, we must carry out the guiding principle of further readjustment of the national economy according to the real circumstances. All those projects under construction, which compete for raw materials and energy with old and large plants, which produce inferior and high-cost products with old equipment and high consumption, and seriously pollute the environment, absolutely must be stopped. From now on, different departments and regions should not build or expand any more plants in those sectors where the existing production enterprises are not operating to their full capacity because of shortage of raw materials and fuel. All regions which are to export raw materials according to the original plan are not allowed to retain any raw materials subject to export, or supply inferior material while keeping the superior stuff for their own plants. The competition between regions and departments must be eliminated. No new plant is to be constructed unless it is able to increase production capacity by organizing specialized coordination between regions, departments and trades. Some products are regarded as "short line" [closely linked to the needs of consumers] from the point of view of a region or a department, but as "long line" [far removed from the needs of consumers] from the point of view of the whole country. New plants to produce such products must not be built even if the regional allocation is not quite rational. Second, the systematic guidance of macroeconomics and the planning of economic development must be strengthened. Planning departments and the administrative departments of the concerned sectors should regularly provide information about the balance between supply and demand to various regions and units at the basic level, formulate technical policies to decide which kinds of enterprises are necessary for the national economy and the

people's livelihood, and should be constructed, which kinds of enterprises are duplicate construction projects and should be stopped. Third, flexible economic policies must be adopted. For example, we can enforce coordinated operation between regions producing raw materials for the textile industry and the enterprises in the existing production bases, or carry out such practice: being fully responsible for supplying raw materials, the raw material producing regions take back a part of the finished products, share a part of profits, and so on.

In order to prevent the construction of "large and complete" and "small and complete" enterprises, we should carry out reform regarding systematic administration methods, the economic administration system, the planning and design of capital construction, and so on, while deepening our ideological understanding and strengthening our overall outlook. We must work out regional planning in light of which various departments can assign jobs to plants to be appointed, so as to scientifically forecast the industrial capacity within a certain area. We must construct in advance, step by step and in a planned way, the necessary facilities such as transport, water supply, electricity, urban engineering and so forth, so as to prevent those new units from separately setting up their own system. We must enhance unification in carrying out extensive practices to complete the chain of social production, promoting unified investment and construction, fixing up a coordinative relationship and developing those plants which have a high level of specialized coordination and high production efficiency, such as assembly plants, accessory plants, blank casting and forging plants and specialized mechanical maintenance plants. We must get rid of the plant design model of a versatile structure, review the design specifications, work out rationally the construction structure and standards concerning complete sets of equipment for industrial and mining enterprises of different types and eliminate anything involving duplicate construction. Besides, we must vigorously carry out the reform converting the form of fund raising for capital construction investment from state allocated funds to bank loans. In this way, capital construction is changed from gratuitous utilization to paid utilization, and thus construction departments and units are driven to be concerned about the economic effect of capital construction in terms of material interest and to consciously avoid duplicate construction.

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## INFLATION IN POSTWAR IMPERIALIST COUNTRIES

Beijing RED FLAG in Chinese No 11, 1 Jun 81 pp 44-48

[Article by Wang Huaining [3769 2037 1337]]

(Text) At present, all imperialist countries are suffering from rampant inflation. As a result of this inflation, prices are rapidly rising in many imperialist countries. The annual inflation in some countries has consistently been a double-digit figure. Inflation is closely associated with steady and massive unemployment, with economic crisis and stagnation, and with violent fluctuations in exchange rates.... Its powerful impact is felt in almost every aspect of the economy. If songs in praise of inflation were sung in the 1950's and 1960's by the rulers of imperialist countries, it can be said that they are now suffering from inflation's effects.

### I

Inflation is an economic phenomenon brought about by the intensifying of the basic contradictions in imperialist countries. Its coming into being and development are inseparable from the constant strengthening of intervention by state monopoly capitalism in national economies. In order to overcome the contradictions within capitalist reproduction and to avoid economic crises resulting from surplus production, in addition to increasing government expenditures by deficit financing, the imperialist countries and governments have adopted inflationary monetary policies to stimulate private investment and consumption. Consequently, the money supply greatly exceeds the actual needs of currency circulation. This is how inflation comes into being, and the situation becomes more and more serious with the rapid increase of financial deficits and the excessive expansion of various credits.

In the postwar years, every imperialist country has taken the inflationary road. Despite the development being different, they share the same general trend, starting from comparatively slight inflation and being aggravated to rampant inflation.

Generally speaking, the postwar inflation of the imperialist countries has gone through three stages:

(1) The initial postwar period, that is, the second half of the 1940's, witnessed general and rapid price rises in imperialist countries. Japan, as a nation defeated in the war, saw a consumer price increase of 3.7 times from 1946 to 1949, with an average annual rise of 67.8 percent. As for the United States, which reaped huge profits during the war, consumer prices went up less rapidly during this same period, but the average annual rate of price rises was as high as 7.3 percent. There were two main reasons for the rapid increase of prices in those countries at this time. The first reason was that many countries had suffered economic destruction and were in need of rehabilitation. Even for those countries that had not suffered serious destruction, the problem of transition from a wartime to peacetime economy still remained. All these countries needed additional government expenditures to support economic rehabilitation and readjustment. This increased government financial deficits and the monetary supply. The other reason was that at the end of the war there was not only the need for an enormous quantity of the means of production in order to restore production, but also the need for an immense amount of the means of subsistence in order to satisfy the needs of the people. As production temporarily lagged behind, there arose a situation of shortages of various commodities, resulting in rapid price rises. Inflation and the shortages in supplies both played a role. Consequently, the range and speed of price rises was comparatively large and fast.

(2) In the 1950's and 1960's, all imperialist countries entered a period of chronic inflation. Since the imperialist countries did not stop their deficit financing even though they had returned to a peacetime economy, with the exception of a few short years, the imperialist countries had enormous financial deficits almost every year and the monetary supply continued to increase rather fast. However, on the one hand, owing to developments in science and technology as well as certain adjustments made in production relations by the state monopoly capital, the national economic development was comparatively fast. On the other hand, the financial deficits of these countries had not yet grown into huge accumulative sums, and the government debts in relation to the national economy were also relatively insignificant. Therefore, although inflation was developing, the situation was far less serious than it is at present. During this period, the average annual rise in consumer prices in the imperialist countries fluctuated between 1 to 6 percent. The Western countries call it "creeping inflation."

(3) In the 1970's, especially after the most serious economic crisis of the postwar capitalist world, from 1973 to 1975, the inflation in imperialist countries was greatly aggravated, as clearly seen by the rapid rise in consumer prices. At the end of the 1960's, the average annual rise in consumer price increases in the major imperialist countries was approximately 5 to 6 percent; by the end of the 1970's, it had increased to 9.4 percent; with the advent of the 1980's, the rise grew to a double-digit figure--11 percent in 1980. For countries which suffered serious inflation, such as Italy, the United Kingdom, and Japan, the rise in consumer prices for certain years during the 1970's exceeded 20 percent. For the past 2 years, the rise in consumer prices in the United States has exceeded 13 percent without interruption. Such occurrences are the evil consequences brought about by the deficit financing and the "cheap money" policy adopted by the imperialist countries in the postwar years. Because

of the pressure of the mounting basic contradictions of imperialism, the governments of the imperialist countries had to do this. By now, the financial deficits have accumulated to sums unsurpassed in the past, and the expansion of credit has long exceeded the actual needs of economic development. Consequently, the speed of production development has been greatly curtailed owing to the aggravation of various contradictions including inflation, leading to chaos in the realm of circulation. Price rises on such a big scale are only one manifestation of this chaotic situation. The imperialist countries are caught up in "galloping inflation."

From the developments depicted above, it can be seen that inflation, as an economic phenomenon, has been indissolubly tied to the imperialist countries. It not only has a general and long-standing existence, but its effect continues to grow.

## II

The process of reproduction in imperialist countries contains an immense contradiction between production and consumption. On the one hand, blind expansion of production occurs, as the capitalists greedily go after profits and guard themselves against failure in competition. On the other hand, under the exploitation of capitalism, the demand of the working people in terms of their ability to pay is constantly diminishing, creating an ever widening gap in the development of production. Economic crises occur cyclically without interruption. Under the impact and destruction of economic crises, the foundation of the capitalist system is unstable. This forces the monopolist capitalist class to seek measures to deal with the situation. Because of this, state capitalism has come into being and is thriving. It vainly attempts to provide a solution to the contradictions which capitalism has been unable to eliminate by resorting to state political power to alter the process of economic development.

As state monopoly capitalism undertakes the task of tackling social economic problems, naturally it does not institute measures that alleviate capitalist exploitation or enhance the consumption level of the working people in terms of their ability to pay so that production and consumption of the whole society will not develop into sharp conflict. The first thing that it guarantees is the continuous profits of the capitalists, especially the profits of monopoly capital. Under these circumstances, the measure it takes is to create extra purchasing power to set in motion the consumption of the whole society and to alleviate the contradiction between production and consumption. This means putting into effect deficit financing, which increases government expenses without increasing government revenue. Monetarily, this means to put into effect a "cheap money" policy to stimulate borrowing for the purpose of investment and to encourage consumption by incurring debt. Taken together, these lead to an increase in the money supply which far exceeds the actual needs of the circulation process. Once inflation occurs, the depreciation of paper money and price rises become inevitable.

Since the imperialist countries implement an inflationary policy to alleviate the contradictions of the reproduction process, is this policy not effective to

some extent? In terms of its short-term effect, it stimulates capital investment and personal consumption to a certain extent for a limited period of time. This is the very reason why inflation is so attractive to the imperialist countries and why they choose the inflationary road.

The following explains why inflation temporarily stimulates capital investment and personal consumption:

- (1) The practice of inflation will increase social purchasing power through government deficits, and this in turn will to a certain extent set in motion the economic development of the entire society.

Under normal conditions, government expenditures are limited by the size of government revenue. In order to increase government expenditures, government revenue must be increased. In capitalist countries, government revenue mainly comes from taxes, and an increase in government revenue means a corresponding increase in various taxes. For this reason, viewed from society as a whole, an increase in government revenue is realized by an increase in taxes at the expense of private spending (including investment and consumption), having no effect on social purchasing power, neither enlarging nor reducing it, but only converting private spending into public spending. The situation is different in a situation of inflation and deficit financing. In such a situation, the added government expenditure (in the form of government deficits) are mainly paid by means of issuing more paper money and expanding government credit (issuing government bonds). Thus, the government creates some purchasing power in excess of the original investment and consumption capacity of the society. To a certain extent, this temporarily alleviates the contradiction between production and consumption, relieves the pressure exerted by surplus production, and facilitates the process of reproduction.

The practice of inflation and increasing government expenditures not only temporarily increases social purchasing power, but also provides a stable and highly profitable domestic market for monopoly capital, which stimulates capitalists to make additional investments and increase production, paving the way for and providing the possibility of speeding up their capital accumulation.

In order to moderate class contradictions and to facilitate and expand social reproduction, so that expansion can be smoothly carried out, the imperialist countries use a considerably large portion of financial expenditures for social welfare payments. The amount of welfare payments in the total government expenditures of the United States was less than 20 percent in the 1950's but is more than 40 percent now. The percentages of some West European countries are even higher. The expenditures in this category are directed toward sanitation and education as well as social aid and relief. It is true that in the final analysis such expenditures are traceable to their origin, just as wool is traceable to a sheep's back, and are coupled with further exploitation of the working people. However, within a certain period of time they do play a role in moderating class contradictions. In the meantime, as such expenditures to a certain extent guarantee the reproduction of the labor force both quantitatively and qualitatively, this factor has become one of the important reasons why the

imperialist countries have enjoyed a faster economic development in the postwar period.

(2) Inflation increases monopoly profits and stimulates the capitalists' expansion of production.

During inflation, monopoly capital not only rakes in high profits from expanded government investments and direct consumption, but also increases its exploitation of workers. Since inflation is becoming a constant state of affairs, wage increases often are insufficient to cover the losses caused by inflation. Take the United States as an example. The real wages of workers in 1979 decreased by more than 5 percent in comparison with that of 1973, and was of comparable value to those of the mid-1960's. Owing to improvements in labor productivity, the real wages of workers have decreased, and the exploitation by capital of labor has been aggravated. As a consequence, the amount of wages of U.S. workers in the net output value decreased from 38.5 percent to 29.2 percent during the period from 1954 to 1973, a reduction of about one-third in 20 years, and the trend is continuing. The aggravation of exploitation enables profits to rise rapidly, far quicker than the growth of wages. During the period from 1955 to 1977, profits after tax of U.S. enterprises increased by 446 percent and wages by only 289 percent. The increase in profits not only stimulates monopoly capital to expand investment in order to seize more surplus value, but also to accumulate more capital for the expansion of reproduction, making possible the investment of additional capital.

As prices rise and profits increase, a false prosperity appears. Meanwhile, currency circulation accelerates. In the United States, the annual circulation rate of demand deposits increased from 18.2 times in 1946 to 175 times in 1979, almost 10 times the lower figure. As purchases increase, demand appears to be increasing, and the false prosperity further develops. All these things cause the capitalists to produce more.

And this is not the whole story. In addition, the government adopts a "cheap money" policy, stimulating credit expansion by fixing comparatively low interest rates and reserve ratios for bank deposits, enabling the capitalists to obtain low-interest loans. As a result of constant price rises, a considerable part of the interest expenses that have been comparatively low are in fact offset. For example, while the average U.S. interest rate in 1979 was 11 percent per annum, prices in the United States rose 13 percent during the same year. As a result, this was like taking out a loan without having to pay any interest, while gaining 0.3 percent in actual earnings. Obviously, this encourages capitalists to increase production by borrowing.

(3) Inflation stimulates people to speed up consumption, or even to go in debt to increase consumption. This is also helpful in temporarily moderating the contradiction between production and consumption.

Under the circumstances of uninterrupted price rises, in order to guard against the loss owing to the depreciation of currency, people do their best to convert money into various commodities as quickly as possible. In order to guard against

the effects of inflation on their future income, they are more and more apt to go in debt in order to make purchases. This is one of the important reasons why consumer credit has been developing so rapidly in the Western countries during the postwar period.

Now consumer credit is taking a larger and larger portion of retail trade sales in the imperialist countries. In 1950, personal debt in the United States was approximately 36.9 percent of the total personal disposable income; now it is about 84 percent. From this example alone, one can envisage the expansion of consumption by means of borrowing. Its temporary effect in facilitating production development is most obvious.

It is precisely because inflation has the above-mentioned temporary stimulating effect on the economy that the ruling classes of the various countries are more than ready to accept it. Inflation is spreading in the capitalist world and is getting more and more serious.

### III

The outcome of the long-time practice of inflation in the imperialist countries has clearly shown us that it is no panacea, but a dose of a poisonous hormone. Temporary stimulation is achieved at the expense of injuring the economic organism. At present, the fact that all imperialist countries are caught in the difficult position of stagflation is an indication of the grave outcome of inflation.

Inflation, as a pathological feature in the realm of circulation, in the first place hinders the proper functioning of money. As a result of inflation, paper money as a symbol of value is in a steady process of depreciation. Now the purchasing power of the U.S. dollar is only about one-fifth that of the early years of the postwar period, and that of the pound sterling is only one-tenth. Money as the standard of value requires stability, which is in acute contradiction with the constant depreciation of the monetary symbol. This not only damages the accurate measurement and comparison of values of various commodities, but also gives rise to chaos in the whole circulation process. In time, this will hinder the progress of the reproduction process.

The following are the other unfavorable effects of inflation on the economy:

(1) Inflation in the imperialist countries aggravates exploitation of the working people and deepens the contradiction between production and consumption.

The inflation in imperialist countries is a form of redistribution of national income enforced by the monopoly class. It is beneficial to the monopoly capitalist class, not for the working people, and has a distinct class character. The temporary stimulating effect of inflation on the economy, fundamentally speaking, is caused by aggravating the exploitation of the working people. Therefore, the longer it is practiced, the stronger its repercussion. It certainly will further aggravate the basic contradictions of capitalism.

One of the important causes of inflation is the practice of deficit financing. It would seem that in order to expand government expenditure no increase of taxes would be needed. Actually, this is done through incessant price increases, an invisible tax on the working people. Moreover, this is bound to be followed by more taxes. The reason is that government bonds once issued must be redeemed and there is interest to be paid. When government debts continue to increase, aside from floating new bonds to pay off the old ones, the government will certainly be forced to increase taxes. Take the United States for example. Taxes and deficit financing travel on a parallel course. Taxes in terms of percentage of the national income rose from 25 percent to 36.4 percent in the period from 1948 to 1979. As a consequence, the burden of government deficit financing fell completely on the backs of the working people through price rises and tax increases. The consumption level of working people in terms of their ability to pay has been further lowered. In the meantime, production under the impetus of inflation expands blindly. Inevitably, production and consumption come into conflict.

(2) To ever increasing degrees, inflation is converting the economics of imperialist countries into debt economies, destroying the stability of economic development.

The incessant expansion of credit is an important means by which the imperialist countries carry on inflation. Under this condition, public as well as private debts increase very rapidly in imperialist countries. During the 25 years from 1953 to 1978, the total domestic debts of the United States increased from \$558 billion to \$3.5 trillion, an increase of 500 percent. The growth rate of debts far exceeded those of industrial and agricultural development. The imperialist economy is becoming more and more a debt economy. By now, the incessant increase of debts is the only way by which the economies of the imperialist countries can operate and develop.

First of all, public debts are taking an ever-increasing proportion of state budgets. For example, in 1979 about 40 percent of the Japanese state budget was financed by public debts. The alarming growth of public debts is leaving less and less leeway for state monopoly capital to influence economic development through public financing. It is easy to imagine what the outcome will be, since the economies of imperialist countries cannot function without the support of public financing.

Second, borrowed capital is playing a more and more important role in operating enterprises. The amount of borrowed capital is highest in Japan, providing 80 percent of the total capital of enterprises. Even in the United States, which has a low percentage of borrowed capital, the figure is more than 50 percent. The increased proportion of borrowed capital not only creates the likelihood of a chain reaction occurring as a result of the profits or losses of enterprises, causing economic development to become more unstable, but also stimulates adventurist speculation, making the whole economy more vulnerable to pressures which could lead to its destruction. This is because the capitalist today are in increasing degrees making use of other people's funds rather than their own in launching adventures, and thereby they are apt "to

develop the motivation power of capitalist production—to make their fortune by exploiting other people's labor—into a system of sheer gambling and cheating of the utmost degree." ("Complete Works of Marx and Engels," "Das Kapital," Vol 25, p 499)

The development of the debt economy is also intensifying the contradiction between production and consumption. While debts of the state and of enterprises are stimulating production expansion, consumer credit has been exacted in advance from future purchasing power in spite of the fact that it is supporting the current economic development. It is only natural that in this way contradictions will be more acute than ever before.

Besides, inflation will impair international economic relations and retard the development of international trade and lead to instability in the international financial situation. These will also bring unfavorable effects to the economic development of the imperialist countries.

#### IV

The dual effects of inflation on the economic development of imperialist countries will always be so, existing together at the same time, but will never develop parallel advantageous and disadvantageous effects. With inflation becoming long-enduring and getting more serious, its unfavorable effect on the economy will emerge day by day and will become the dominant factor. As facts indicate, believing that inflation can be contained within the scope of a development in which there is more advantages than disadvantages is merely wishful thinking. The reason for this is that once inflation is put into practice, it is beyond the reach of human control and operates by its own law. Those national economies that use inflation as a stimulus have been developing very rapidly. In the meantime, however, more and more contradictions have arisen and are getting more acute, thereby requiring larger doses of inflation to provide more stimulus. Consequently, no solution has been found for the economic crisis, and nothing can be done which will not lead to getting bogged down deeper and deeper in the quagmire. Now that inflation has become serious all over, the economy has become stagnant, the prices and unemployment are soaring, and debts are running high, and the working people are very unhappy about this. In order to mitigate contradictions and to reduce dissatisfaction, the governments of the imperialist countries are seeking measures to counteract inflation. They wish to discard inflation, but at the same time they are reluctant to do so. They want to stop the whole thing, but they cannot do so. They are reluctant, because they can find no better way to deal with economic crises and therefore they have to turn to inflation for help. They cannot stop it now, because it is a means of making profits for monopoly capital, which will not easily give it up. This is the main reason why the more the imperialist countries fight inflation the more serious it becomes. Inflation has become a chronic and incurable malady of the imperialist countries. When it continues without treatment, inflation will get worse and the consequences will be very serious. If it is treated, there will be more surplus production, just like pouring oil on a fire. It seems that the imperialist countries have no choice but to continue inflation. The monopoly class has set a task for itself:

"Learn how to live with inflation." This not only indicates the objective fact that inflation is already unavoidable, but it also shows the predicament of the imperialist countries. Inflation, as the new chronic disease of imperialism, shows us by one facet that capitalism is truly decadent. The economic contradictions inherent in it are insoluble and insurmountable.

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## USE FEWER 'GOLDEN PELLETS,' HIT MORE 'MANDARIN DUCKS'

Beijing RED FLAG in Chinese No 11, 1 Jun 81 p 49

[Article by Ren Enqiang [0117 1869 1730] and Ma Xuguang [7456 2485 0342]]

[Text] Last year the agricultural production expenses of Ye County, Shandong Province, accounted for more than 42 percent of its total agricultural expenses; in some production teams, the expenses were even higher than the earnings, thereby causing losses. The phenomenon of raising production without a corresponding increase in earnings has damped the peasants' enthusiasm for production.

The main reason why agricultural production expenses have been high is because the system of management and administration has not been suitable. Particularly, because the influence of "leftist" thinking has not yet been properly eliminated, some of the cadres in communes and production teams still consider that in order to hit "mandarin ducks," one must not be stingy with "golden pellets," and that in order to increase output, one must not be afraid of high expenses. As a result, some production teams have applied fertilizer and irrigated fields in an irrational manner, thereby bringing about the phenomenon of "fertilizer eating grain" and "oil eating grain." Last year, the expenses of the whole county for chemical fertilizer as well as irrigation and drainage alone accounted for 63 percent of all agricultural production expenses. The leading comrades of the county have worked out, together with all concerned, the following calculation: had the agricultural production expenses for last year dropped to the average level of the whole area, then earnings would have increased by 20 million yuan and each member of the farming population would on average earn 26 yuan more. What a great potential this represents!

Besides, a relatively large number of loopholes also existed in respect to financial expenditure in the communes and production teams. In a production brigade in the eastern mountain area, the following "leaks" were found by commune members: first, cadres were not hesitant about spending the collective's money and so the money slipped through their fingers; second, the financial and accounting staff did not know how to manage money and so the money dropped from the bottom of their abacus; third, the practice of inviting guests, sending gifts and looking after one's relatives drained money away through the "back door"; fourth, some cadres made use of their power to take away large amounts of money for private use, resulting in a leak through "petty channels." Commune

members said: "If things go on like this, the collective will be like a pot without a bottom and will have all its resources drained away, and will lose the people's support as well." It can be seen that to plug up these loopholes is of extreme importance.

In order to effectively solve the problem of high production expenses, the following measures have been adopted in Ye County since early this year:

First, strengthen the work of ideological education. We have adopted the method of making comparisons by examining accounts so that the cadres and masses are educated and made to realize that the practice of only being concerned with political accounting but not with economic accounting, only stressing output but not reducing costs, and only emphasizing going all out but paying no attention to economic results runs counter to the policy of developing socialist agriculture, strengthening the collective economy as well as improving the standard of living of commune members, and therefore does not conform to the aims of socialist production. The level of political consciousness of the cadres and masses in working according to economic laws and in strengthening management and administration has thus been enhanced.

Second, strengthen the professional training of the ranks of financial and accounting workers. This year, a rural accounting class has been run for a group of 800 newly recruited accounting workers from the large and small production teams throughout the whole county. Also, the various communes and production brigades have generally established and strengthened the eight-point management system for financial and accounting work; major production expenditures must first be presented to all commune members of the production team for discussion, thereby fully embodying the policy of managing financial matters in a democratic manner, eliminating the unhealthy tendency toward acting in whatever way one likes on the part of a minority of people, insuring the soundness of financial expenditure and eliminating the phenomenon of extravagance and waste.

Third, uphold the policy of running the communes through thrift and hard work. Stress the need for striving to reduce expenses and do more work in the various production activities, as well as encourage the practice of repairing and making small farming tools as far as possible ourselves and conducting unit-machine assessment for farming machinery so as to raise the use rate and reduce the damage rate. Also, vigorous action must be taken to conserve chemical fertilizer, water, electricity and oil so as to reduce expenses.

Fourth, it is necessary to bring about a change in the way of thinking and work style of leading cadres. Educate cadres to serve the people wholeheartedly and firmly rectify unhealthy practices. The county party committee has also decided to give the party branch secretaries and production brigade leaders of the 1,010 production brigades throughout the county training in rotation this year so as to improve the cadres' management techniques and promote scientific farming.

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